

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0227.01 Pierce Lively x2059

HOUSE BILL 26-1065

HOUSE SPONSORSHIP

McCluskie and Woodrow, Boesenecker, Camacho, Jackson, Lindsay, Paschal, Stewart R., Velasco, Zokaie, Bacon, Carter, Duran, English, Froelich, Hamrick, Lieder, Lukens, McCormick, Nguyen, Rutinel, Rydin, Stewart K.

SENATE SPONSORSHIP

Roberts and Exum, Hinrichsen, Jodeh, Kipp

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING TRANSIT AND HOUSING INVESTMENT ZONES, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 2 of the bill creates the "Transit Investment Area Act" and:

- Creates a mechanism for a local government and transit agency, subject to state approval, to undertake a transit investment project (project), to designate a transit investment area (area) in which the project will be built,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
3rd Reading Unamended
May 4, 2026

HOUSE
Amended 2nd Reading
May 1, 2026

and to create a transit investment authority (authority) or to designate other financing entities with the power to receive and use the increment of revenue derived from the state sales tax collected in the area that is equal to the amount of state sales tax revenue collected in an area above a designated base amount plus 20% of that same revenue (state sales tax increment revenue) to be used to finance eligible improvements related to the project;

- Allows a local government to apply to the office of economic development and the Colorado economic development commission (commission) to undertake a project, and, in connection with the project, to form an authority or to designate a county revitalization authority, metropolitan district, or urban renewal authority as the approved financing entity;
- Specifies the information that a local government is required to include in the application for a project and the criteria that the project is required to satisfy to be approved;
- Requires the director of the office of economic development (director) to review each application for a project and to make an initial determination regarding whether the application meets the specified criteria;
- Requires the director to forward each application to the commission with a recommendation regarding whether the project should be approved;
- Directs the commission to review each application and to approve or reject the project and, as part of the approval of a project, allows the commission to authorize the collection and use of the state sales tax increment revenue for a designated number of years not to exceed 30 years;
- Allows the commission to approve no more than 3 transit investment projects in any calendar year and no more than 6 in total;
- Allows the commission to dedicate no more than \$75 million in a fiscal year to the transit investment projects it approves;
- If requested by the local government, allows the commission to authorize the creation of an authority to receive and spend state sales tax increment revenue;
- Specifies that an authority is governed by a board consisting of a certain number of members appointed by the commission and a certain number of members appointed by the local government;
- Specifies the powers of the authority and the manner in which the state sales tax increment revenue is divided and

- used;
- Requires the financing entity for a project to submit a report containing specified information to the commission; and
- Authorizes a county revitalization authority, an urban renewal authority, or a metropolitan district to receive and disburse the state sales tax increment revenue generated within an area and to act as the financing entity for the area.

Section 9 creates the Colorado affordable housing in transit investment zones tax credit (tax credit). The tax credit is administered in the same manner as the Colorado affordable housing in transit-oriented communities tax credit; except that the tax credit is awarded in connection with qualified low- and middle-income housing projects in transit and housing zones. The bill allows \$50 million of credits to be awarded each calendar year beginning in the 2027 calendar year through the 2033 calendar year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.**

3 (1) The general assembly finds and declares that:

4 (a) Colorado has invested significantly in public transit systems
 5 in the last several decades, funding over six billion dollars across
 6 eighty-five miles of new rail lines along the front range;

7 (b) Investments in public transit systems across Colorado will
 8 continue in the coming years with new bus rapid transit lines, rail
 9 systems, and upgrades to local, intercity, and regional bus services;

10 (c) Despite recent investments in public transit systems across
 11 Colorado, transit ridership in Colorado lags behind peer states around the
 12 country, due in part to a lack of housing near these transit lines and
 13 infrastructure barriers that can make it challenging for people to access
 14 transit stations;

15 (d) Encouraging more housing near transit is important for
 16 increasing transit ridership and improving the cost-effectiveness of transit

1 services;

2 (e) Researchers have found that higher residential densities
3 citywide increase cost-effectiveness for light rail and bus rapid transit
4 services, as described in the article "Cost of a Ride: The Effects of
5 Densities on Fixed-Guideway Transit Ridership and Costs" by Erick
6 Guerra and Robert Cervero;

7 (f) Most light and commuter rail stations and frequent bus
8 corridors in Colorado have lower housing unit density than is necessary
9 to support frequent transit;

10 (g) Based on 2020 census block housing unit data, over ninety
11 percent of rail stations and eighty-four percent of bus rapid transit and
12 frequent bus corridors along the front range have fewer than fifteen
13 housing units per acre on average within walking distance, while
14 researchers have generally found that a minimum of fifteen housing units
15 per acre of built density is needed to support frequent transit;

16 (h) Transit-oriented development, including connecting housing
17 opportunities and services with safe multimodal infrastructure and public
18 transit, improves the accessibility of communities for people with
19 disabilities and limited mobility;

20 (i) People with disabilities are more likely to live in households
21 with zero cars, are less likely to drive, and are more likely to rely on
22 public transit or paratransit, according to the 2017 "National Household
23 Travel Survey";

24 (j) The design of the built environment surrounding transit
25 stations, including the presence of sidewalks, crosswalks, bike lanes, and
26 other multimodal infrastructure, influences the accessibility to transit
27 stations and overall transit ridership, as identified by studies such as

1 "Travel and the Built Environment: A Meta-Analysis" by Reid Ewing and
2 Robert Cervero, and "Transit commuting, the network accessibility effect,
3 and the built environment in station areas across the United States" in the
4 journal Research in Transportation Economics;

5 (k) Improvements to the design of the built environment
6 surrounding transit stations support placemaking, which is the process of
7 intentionally planning, designing, and building infrastructure and housing
8 that capitalize on a community's amenities and culture;

9 (l) Placemaking can enhance the desirability of a given
10 community and the well-being of those who live in, work in, or visit a
11 given community, and can create a strong demand for housing in a
12 community;

13 (m) The 2023 Community and Transportation Preferences Survey
14 published by the National Association of Realtors found that when
15 deciding where to live, seventy-nine percent of people said being within
16 an easy walk of other places and things, such as shops and parks, is
17 very/somewhat important, eighty-five percent said sidewalks and places
18 to walk are very/somewhat important, and sixty-five percent said having
19 public transport nearby is very/somewhat important; and

20 (n) The 1998 Assessment of the Economic Impacts of Rural
21 Public Transportation published by the Transit Cooperative Research
22 Program, which assessed the economic impacts of rural public
23 transportation, found that there was an eleven percent difference in
24 average net earnings growth between rural counties that had public transit
25 systems and those rural counties that did not.

26 (2) (a) Pursuant to section 39-26-104 (3), sales delivered to a
27 purchaser within a transit investment area are properly sourced to the

1 transit investment area;

2 (b) Due to technical limitations, the increment calculation can
3 only factor in sales made in person within the TIF area, even though
4 additional online and delivery sales will be induced through more housing
5 availability and attractive living options due to transit access provided;

6 (c) According to the United States census bureau's Quarterly
7 Retail E-Commerce Sales Report, approximately fifteen percent of sales
8 nationally are made online, and therefore we assume that, to determine
9 the allocated increment, the calculated increment based on in-person sales
10 only should be inflated by twenty percent in order to account for sales that
11 are unable to be captured due to technical limitations, but would
12 otherwise be included in the allocated increment; and ___

13 (d) Therefore, it may be necessary to allow the department to
14 allocate a small amount of state sales tax revenue in excess of the state
15 sales tax collected on in-person sales made within each transit investment
16 area. A small amount of the general fund is needed to fulfill the increment
17 that would have been calculated if tracking at that level of detail were
18 feasible, and is a technical adjustment, not state fiscal year spending.

19 (3) Therefore, by enacting this House Bill 26-1065, the general
20 assembly intends to establish new financing tools utilizing tax increment
21 financing to encourage local government efforts to improve infrastructure
22 near transit and rail stations that will promote placemaking and spur
23 housing development supported by tax credits, which would not occur
24 without the enactment of this House Bill 26-1065.

25 (4) Given that communities across the state can use support to
26 further invest in infrastructure, transit, and housing, the general assembly
27 finds and declares that the new financing options created in this House

1 Bill 26-1065 are available to communities throughout the state, and this
2 financing option should be used in a manner that considers geographic
3 diversity.

4 (5) Although this House Bill 26-1065 only allows the Colorado
5 economic development commission to approve six transit investment
6 projects, the general assembly anticipates that these transit investment
7 projects will be successful and it is the intent of the general assembly to
8 later authorize the Colorado economic development commission to
9 approve additional transit investment projects as state resources allow.

10 **SECTION 2.** In Colorado Revised Statutes, **add** part 4 to article
11 46 of title 24 as follows:

12 PART 4

13 TRANSIT INVESTMENT AREA ACT

14 **24-46-401. Short title.**

15 THE SHORT TITLE OF THIS PART 4 IS THE "TRANSIT INVESTMENT
16 AREA ACT".

17 **24-46-402. Definitions.**

18 AS USED IN THIS PART 4, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (1) "AERIAL TRANSIT FACILITY" MEANS ONE OR MORE PHYSICAL
21 STRUCTURES THAT USE AERIAL CABLES TO MOVE PASSENGERS AND THAT
22 LINK DIRECTLY TO ANOTHER FORM OF MASS TRANSIT, SUCH AS PASSENGER
23 RAIL, LIGHT RAIL, OTHER TYPES OF TRAINS, TROLLEYS, OR BUSES.

24 (2) (a) "BASE YEAR REVENUE" MEANS AN AMOUNT EQUAL TO THE
25 STATE SALES TAX REVENUE COLLECTED ON IN-PERSON SALES MADE
26 WITHIN A PROPOSED TRANSIT INVESTMENT AREA DURING THE
27 TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE MONTH IN WHICH A

1 TRANSIT INVESTMENT PROJECT IS AUTHORIZED, AS DETERMINED BY THE
2 DEPARTMENT.

3 (b) AFTER THE FIRST TWELVE MONTHS OF STATE SALES TAX
4 COLLECTION PURSUANT TO SECTION 24-46-406 (1), AND ANNUALLY
5 THEREAFTER, THE DEPARTMENT SHALL ADJUST THE BASE YEAR REVENUE
6 BY THE AMOUNT OF THE BASELINE GROWTH RATE ESTABLISHED BY THE
7 COMMISSION.

8 (3) "BASELINE GROWTH RATE" MEANS THE FORECASTED GROWTH
9 IN STATE SALES TAX REVENUE COLLECTED ON IN-PERSON SALES MADE
10 WITHIN A PROPOSED TRANSIT INVESTMENT AREA ABOVE THE BASE YEAR
11 REVENUE THAT WOULD BE COLLECTED ON IN-PERSON SALES MADE WITHIN
12 A PROPOSED TRANSIT INVESTMENT AREA IF THE PROPOSED TRANSIT
13 INVESTMENT PROJECT DID NOT OCCUR, AS DETERMINED BY THE
14 COMMISSION PURSUANT TO SECTION 24-46-404 (3).

15 (4) "BOND" MEANS A BOND OR OTHER CONTRACTUAL OBLIGATION
16 AND FORM OF INDEBTEDNESS FOR THE PAYMENT OF WHICH A FINANCING
17 ENTITY HAS PROMISED TO PLEDGE STATE SALES TAX INCREMENT REVENUE
18 OR ANY OTHER LEGALLY AVAILABLE REVENUES PLEDGED AT THE
19 DISCRETION OF THE FINANCING ENTITY.

20 (5) "COMMISSION" MEANS THE COLORADO ECONOMIC
21 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102.

22 (6) "COUNTY REVITALIZATION AUTHORITY" HAS THE MEANING SET
23 FORTH IN SECTION 30-31-103 (6).

24 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
25 CREATED IN SECTION 24-35-101.

26 (8) "DIRECTOR" MEANS THE DIRECTOR OF THE COLORADO OFFICE
27 OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

1 (9) "ELIGIBLE COSTS" MEANS THE COSTS OF:
2 (a) DESIGNING, CONSTRUCTING, FINANCING, AND MAINTAINING
3 ELIGIBLE IMPROVEMENTS DESIGNATED BY THE COMMISSION AS PART OF AN
4 APPROVED TRANSIT INVESTMENT PROJECT. THESE COSTS INCLUDE THE
5 COSTS OF:
6 (I) ENGINEERING, INCLUDING CONSTRUCTION ENGINEERING;
7 (II) SURVEYING, INCLUDING CONSTRUCTION SURVEYING;
8 (III) CONSTRUCTION LABOR AND MATERIALS;
9 (IV) DESIGN, INCLUDING BONDING, INSURANCE, AND PERMITTING
10 FEES;
11 (V) PLANNING;
12 (VI) LEGAL SERVICES;
13 (VII) ACCOUNTING;
14 (VIII) OVERHEAD OR ADMINISTRATIVE STAFFING;
15 (IX) FINANCING;
16 (X) BOND ISSUANCE OR REISSUANCE AND UNDERWRITING;
17 (XI) INTEREST PAYMENTS;
18 (XII) LOAN ORIGINATION FEES;
19 (XIII) OPERATIONS; AND
20 (XIV) SIMILAR NECESSARY AND CONVENIENT COSTS INCURRED BY
21 THE FINANCING ENTITY IN EXERCISING ITS POWERS PURSUANT TO THIS
22 PART 4.
23 (b) FUNDS ADVANCED BY PRIVATE DEVELOPERS WITHIN THE
24 TRANSIT INVESTMENT PROJECT TO, OR ON BEHALF OF, THE FINANCING
25 ENTITY FOR ELIGIBLE IMPROVEMENTS, WHETHER A PRIVATE DEVELOPER
26 ADVANCES THOSE FUNDS PURSUANT TO LOANS OR CONTRACTUAL FUNDING
27 AND REIMBURSEMENT AGREEMENTS;

1 (c) REASONABLE INTEREST ON THE FUNDS ADVANCED BY A
2 PRIVATE DEVELOPER PURSUANT TO SUBSECTION (8)(b) OF THIS SECTION;

3 (d) A FINANCING ENTITY'S COSTS FOR PURCHASING ELIGIBLE
4 IMPROVEMENTS CONSTRUCTED AND OWNED BY THIRD PARTIES EITHER
5 BEFORE OR AFTER DESIGNATION OF THE TRANSIT INVESTMENT PROJECT;
6 AND

7 (e) COSTS AND EXPENSES INCURRED BY A FINANCING ENTITY
8 PURSUANT TO SECTION 24-35-123 AND IN COMPLYING WITH ITS ANNUAL
9 REPORT AND AUDIT OBLIGATIONS UNDER THIS PART 4.

10 (10) "ELIGIBLE IMPROVEMENTS" MEANS THE SPECIFIC
11 IMPROVEMENTS AUTHORIZED BY THE COMMISSION AS PART OF AN
12 APPROVED TRANSIT INVESTMENT PROJECT, INCLUDING:

- 13 (a) ROADS;
- 14 (b) STREETS;
- 15 (c) STATE HIGHWAYS;
- 16 (d) RIGHTS-OF-WAY;
- 17 (e) LIGHTING;
- 18 (f) DIRECTION AND LOCATION SIGNAGE AND SIMILAR SIGNAGE;
- 19 (g) LAND ACQUISITION;
- 20 (h) SURVEYING, ENGINEERING, SOILS TESTING, SITE PLANNING,
21 GRADING, AND SIMILAR ACTIVITIES NECESSARY OR CONVENIENT FOR SITE
22 PREPARATION AND DEVELOPMENT;
- 23 (i) TRAILS AND PATHS;
- 24 (j) PUBLIC SAFETY FACILITIES;
- 25 (k) LANDSCAPING;
- 26 (l) STREET TREES;
- 27 (m) PUBLIC PLAZAS AND PEDESTRIAN SPACES;

1 (n) TRANSPORTATION FACILITIES;
2 (o) BICYCLE AND PEDESTRIAN INFRASTRUCTURE;
3 (p) SURFACE AND STRUCTURED PARKING FACILITIES; AND
4 (q) ANY OTHER FACILITIES OR IMPROVEMENTS NECESSARY OR
5 CONVENIENT FOR THE COMPLETION OF AN APPROVED PROJECT.

6 (11) (a) "FINANCING ENTITY" MEANS THE ENTITY DESIGNATED BY
7 THE COMMISSION IN CONNECTION WITH ITS APPROVAL OF A TRANSIT
8 INVESTMENT PROJECT TO RECEIVE AND USE STATE SALES TAX INCREMENT
9 REVENUE.

10 (b) A COUNTY REVITALIZATION AUTHORITY, A METROPOLITAN
11 DISTRICT, AN URBAN RENEWAL AUTHORITY, OR ANY TRANSIT INVESTMENT
12 AUTHORITY TO BE FORMED PURSUANT TO THIS PART 4 MAY QUALIFY AS A
13 FINANCING ENTITY.

14 (12) "FINANCING TERM" MEANS THE AGGREGATE PERIOD NOT TO
15 EXCEED THIRTY YEARS AUTHORIZED BY THE COMMISSION PURSUANT TO
16 THIS PART 4 DURING WHICH THE FINANCING ENTITY IS AUTHORIZED TO
17 RECEIVE AND USE STATE SALES TAX INCREMENT REVENUE TO FINANCE
18 ELIGIBLE COSTS.

19 (13) "INFLATION OR DEFLATION" MEANS THE ANNUAL PERCENTAGE
20 CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF
21 LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
22 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN
23 CONSUMERS.

24 (14) "LOCAL GOVERNMENT" MEANS A CITY, COUNTY, CITY AND
25 COUNTY, TOWN, OR A GROUP OF CONTIGUOUS CITIES, COUNTIES, CITIES
26 AND COUNTIES, OR TOWNS.

27 (15) "OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE

1 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION
2 24-48.5-101.

3 (16) "PASSENGER RAIL STATION" HAS THE MEANING SET FORTH IN
4 SECTION 32-22-102 (8).

5 (17) (a) "STATE SALES TAX INCREMENT REVENUE" MEANS AN
6 ANNUAL AMOUNT EQUAL TO THE TOTAL OF:

7 (I) THE ANNUAL REVENUE DERIVED FROM STATE SALES TAXES
8 COLLECTED ON IN-PERSON SALES MADE WITHIN A DESIGNATED TRANSIT
9 INVESTMENT AREA IN EXCESS OF THE AMOUNT OF BASE YEAR REVENUE
10 ADJUSTED TO ACCOUNT FOR THE BASELINE GROWTH RATE; AND

11 (II) TWENTY PERCENT OF THE AMOUNT CALCULATED PURSUANT TO
12 SUBSECTION (17)(a)(I) OF THIS SECTION, WHICH TWENTY PERCENT
13 APPROXIMATES SALES DELIVERED FROM WITHOUT THE DESIGNATED
14 TRANSIT INVESTMENT AREA THAT ARE UNABLE TO BE MEASURED AND
15 THEREFORE NOT INCLUDED AS IN-PERSON SALES MADE WITHIN A
16 DESIGNATED TRANSIT INVESTMENT AREA.

17 (b) (I) EXCEPT THAT, AS APPLIED FOR A TRANSIT INVESTMENT
18 AREA THAT IS WITHIN A REGIONAL TOURISM ZONE ESTABLISHED BY THE
19 COMMISSION PURSUANT TO SECTION 24-46-305 (3), "STATE SALES TAX
20 INCREMENT REVENUE" MEANS AN ANNUAL AMOUNT EQUAL TO THE LESSER
21 OF:

22 (A) STATE SALES TAX INCREMENT REVENUE AS DETERMINED
23 PURSUANT TO SUBSECTION (17)(a) OF THIS SECTION; OR

24 (B) THE EXCESS, IF ANY, OF THE REGIONAL TOURISM ACT STATE
25 SALES TAX INCREMENT REVENUE OVER THE PAYABLE REGIONAL TOURISM
26 ACT STATE SALES TAX INCREMENT REVENUE.

27 (II) AS USED IN THIS SUBSECTION (17)(b), UNLESS THE CONTEXT

1 OTHERWISE REQUIRES:

2

3 (A) "PAYABLE REGIONAL TOURISM ACT STATE SALES TAX
4 INCREMENT REVENUE" MEANS THE AMOUNT OF REGIONAL TOURISM ACT
5 STATE SALES TAX INCREMENT REVENUE THAT, PURSUANT TO SECTION
6 24-46-307 (1)(b), THE DEPARTMENT ALLOCATES AND PAYS INTO A SPECIAL
7 FUND CREATED BY A FINANCING ENTITY IN ACCORDANCE WITH THE
8 AMOUNT OF REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
9 REVENUE AUTHORIZED FOR ALLOCATION BY THE DEPARTMENT TO THE
10 FINANCING ENTITY BY THE _____ COMMISSION PURSUANT TO SECTION
11 24-46-305 (4).

12 (B) "REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
13 REVENUE" MEANS THE AMOUNT OF "STATE SALES TAX INCREMENT
14 REVENUE", AS DEFINED IN SECTION 24-46-303 (12), ATTRIBUTED TO THE
15 PORTION OF A REGIONAL TOURISM ZONE THAT IS WITHIN THE TRANSIT
16 INVESTMENT AREA.

17 (C) "REGIONAL TOURISM ZONE" HAS THE MEANING SET FORTH IN
18 SECTION 24-46-303 (11).

19 (18) "TRANSIT AGENCY" MEANS A LOCAL OR REGIONAL TRANSIT
20 DISTRICT, OR A REGIONAL TRANSPORTATION AUTHORITY THAT PROVIDES
21 PUBLIC TRANSIT.

22 (19) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
23 DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT IN THE TRANSIT
24 AND HOUSING INVESTMENT ZONE MAP PURSUANT TO SECTION 24-48.5-136.

25 (20) "TRANSIT INVESTMENT AREA" MEANS A GEOGRAPHIC AREA
26 THAT IS WITHIN A TRANSIT AND HOUSING INVESTMENT ZONE AND THAT
27 THE COMMISSION APPROVES AS PART OF A TRANSIT INVESTMENT PROJECT

1 PURSUANT TO SECTION 24-46-404 (3)(d)(I)(B). A TRANSIT INVESTMENT
2 AREA:

3 (a) SHALL NOT EXTEND INTO THE TERRITORIAL BOUNDARIES OF
4 ANY LOCAL GOVERNMENT, UNLESS THE LOCAL GOVERNMENT REQUESTS
5 THAT THE TRANSIT INVESTMENT AREA IS WITHIN ITS BOUNDARIES AT
6 LEAST IN PART;

7 (b) MAY ONLY INCLUDE PART OF A LOCAL GOVERNMENT'S
8 JURISDICTION;

9 (c) MAY INCLUDE NONCONTIGUOUS TRACTS OR PARCELS OF
10 PROPERTY IN THE SAME TRANSIT INVESTMENT AREA; AND

11 (d) MAY EXTEND BEYOND THE RELEVANT TRANSIT INVESTMENT
12 ZONE DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT
13 TO SECTION 24-48.5-136, IF THE RELEVANT TRANSIT INVESTMENT ZONE
14 ENCOMPASSES A COMMUNITY THAT IS NOT EVENLY DISTRIBUTED DUE TO
15 GEOGRAPHICAL CONSTRAINT INCLUDING MOUNTAINS, WATER FEATURES,
16 AND OTHER NATURAL TOPOGRAPHICAL FEATURES, BUT IN SO DOING SHALL
17 NOT EXTEND FURTHER THAN THREE MILES FROM A TRANSPORTATION
18 FACILITY AS CALCULATED BY MEASURING THE DISTANCE ALONG A ROAD
19 OR PEDESTRIAN NETWORK THAT IS USED TO ACCESS THE TRANSPORTATION
20 FACILITY.

21 (21) "TRANSIT INVESTMENT AUTHORITY" OR "AUTHORITY" MEANS
22 A CORPORATE BODY ORGANIZED PURSUANT TO THIS PART 4 FOR THE
23 PURPOSES, WITH THE POWERS, AND SUBJECT TO THE RESTRICTIONS SET
24 FORTH IN THIS PART 4 AND THE FORMATION OF WHICH HAS BEEN
25 APPROVED BY THE COMMISSION PURSUANT TO THIS PART 4.

26 (22) "TRANSIT INVESTMENT PROJECT" OR "PROJECT" MEANS A
27 DEVELOPMENT PROJECT THAT IS PLANNED TO INCLUDE A TRANSPORTATION

1 FACILITY OR SIGNIFICANT IMPROVEMENTS TO A TRANSPORTATION FACILITY
2 TOGETHER WITH ANCILLARY USES, STRUCTURES, AND IMPROVEMENTS,
3 AND THAT THE COMMISSION APPROVES PURSUANT TO SECTION 24-46-404
4 (3).

5 (23) (a) "TRANSIT STATION" MEANS AN IN-PERSON LOCATION
6 DESIGNED TO INTEGRATE AND FACILITATE THE CONNECTION BETWEEN
7 MULTIPLE MODES OF TRANSPORTATION, INCLUDING:

- 8 (I) PUBLIC TRANSIT, SUCH AS BUSES;
- 9 (II) LIGHT RAIL, AERIAL TRANSIT, AND COMMUTER RAIL;
- 10 (III) ACTIVE TRANSPORTATION, SUCH AS BICYCLE AND PEDESTRIAN
11 INFRASTRUCTURE;
- 12 (IV) SHARED MOBILITY SERVICES INCLUDING CAR SHARE, BIKE
13 SHARE, AND SCOOTER SHARE;
- 14 (V) RIDE-HAILING AND DEMAND-RESPONSIVE SERVICES; AND
- 15 (VI) PRIVATE VEHICLES.

16 (b) A TRANSIT STATION MAY INCLUDE RELATED INFRASTRUCTURE
17 THAT SUPPORTS SEAMLESS AND EFFICIENT MULTIMODAL TRAVEL, SUCH AS
18 PARK-AND-RIDE FACILITIES, ELECTRIC VEHICLE CHARGING STATIONS,
19 BICYCLE STORAGE, WAYFINDING SYSTEMS, AND PASSENGER AMENITIES.

20 (24) "TRANSPORTATION FACILITY" MEANS A TRANSIT STATION OR
21 PASSENGER RAIL STATION.

22 (25) "URBAN RENEWAL AUTHORITY" HAS THE MEANING SET FORTH
23 IN SECTION 31-25-103 (8.5).

24 **24-46-403. Transit investment project - application -**
25 **requirements - transit investment zones cash fund.**

26 (1) BEGINNING JANUARY 1, 2027, A LOCAL GOVERNMENT, EITHER
27 ALONE OR IN PARTNERSHIP WITH A TRANSIT AGENCY THAT HAS

1 JURISDICTION WITHIN A PROPOSED TRANSIT INVESTMENT AREA, MAY
2 SUBMIT AN APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR
3 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, INCLUDING THE:

- 4 (a) DESIGNATION OF A TRANSIT INVESTMENT AREA;
- 5 (b) CREATION OF A TRANSIT INVESTMENT AUTHORITY, AS
6 NECESSARY; AND
- 7 (c) DESIGNATION OF A FINANCING ENTITY TO RECEIVE, USE, AND
8 DISBURSE STATE SALES TAX INCREMENT REVENUE FOR ELIGIBLE COSTS.

9 (2) (a) BEFORE A LOCAL GOVERNMENT SUBMITS AN APPLICATION
10 FOR A TRANSIT INVESTMENT PROJECT TO THE OFFICE OF ECONOMIC
11 DEVELOPMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE LOCAL
12 GOVERNMENT MUST SUBMIT A MAP SHOWING THE PROPOSED BOUNDARIES
13 OF A PROPOSED TRANSIT INVESTMENT AREA TO THE OFFICE OF ECONOMIC
14 DEVELOPMENT, ALONG WITH DATA USED TO ESTIMATE THE STATE SALES
15 TAX INCREMENT REVENUE AND A CALCULATION SHOWING THE PROJECTED
16 BASELINE GROWTH RATE. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL
17 VERIFY WHETHER THE PROPOSED TRANSIT INVESTMENT AREA IS WITHIN A
18 TRANSIT AND HOUSING INVESTMENT ZONE THAT IS ESTABLISHED IN
19 RELATION TO A TRANSIT FACILITY THAT IS THE SUBJECT OF THE TRANSIT
20 INVESTMENT PROJECT IN THE LOCAL GOVERNMENT'S APPLICATION
21 SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION, AND THE
22 OFFICE OF ECONOMIC DEVELOPMENT SHALL ENTER INTO A CONTRACT WITH
23 A THIRD-PARTY ANALYST TO ESTIMATE THE BASELINE GROWTH RATE FOR
24 THE PROPOSED TRANSIT INVESTMENT AREA. IN ESTIMATING THE BASELINE
25 GROWTH RATE, THE THIRD-PARTY ANALYST SHALL CONSIDER THE GROWTH
26 RATE FOR THE PROPOSED TRANSIT INVESTMENT AREA DURING AT LEAST
27 THE PREVIOUS TEN CALENDAR YEARS, IF AVAILABLE. THE THIRD-PARTY

1 ANALYST SHALL DELIVER ITS ESTIMATE TO THE OFFICE OF ECONOMIC
2 DEVELOPMENT WHO SHALL PROVIDE THE ESTIMATE TO THE OFFICE OF THE
3 STATE PLANNING AND BUDGETING AND THE COMMISSION FOR REVIEW.

4 (b) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL
5 SUBMIT TO THE COMMISSION A REVIEW OF THE THIRD-PARTY ANALYST'S
6 ESTIMATE WITHIN THIRTY CALENDAR DAYS OF RECEIPT OF THE ESTIMATE
7 FROM THE OFFICE OF ECONOMIC DEVELOPMENT.

8 (c) THE COMMISSION SHALL TAKE INTO ACCOUNT THE ESTIMATE
9 PROVIDED BY THE THIRD-PARTY ANALYST AND THE REVIEW PROVIDED BY
10 THE OFFICE OF STATE PLANNING AND BUDGETING AND SHALL ESTABLISH
11 A BASELINE GROWTH RATE FOR USE BY THE LOCAL GOVERNMENT AND THE
12 THIRD-PARTY ANALYST IN THE COMMISSION'S APPLICATION ASSUMPTIONS
13 AND BY THE DEPARTMENT.

14 (d) THE OFFICE OF ECONOMIC DEVELOPMENT MAY CHARGE A
15 LOCAL GOVERNMENT A SUBMISSION FEE OF UP TO SEVEN THOUSAND FIVE
16 HUNDRED DOLLARS PER SUBMISSION, AND THE STATE TREASURER SHALL
17 CREDIT THAT FEE TO THE TRANSIT INVESTMENT ZONES CASH FUND
18 CREATED IN SUBSECTION (6) OF THIS SECTION, FOR THE COSTS INCURRED
19 IN CONTRACTING WITH A THIRD-PARTY ANALYST FOR THE ESTIMATION OF
20 THE BASELINE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT
21 AREA PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION. THE OFFICE OF
22 ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST FOR INFLATION OR
23 DEFLATION THE FEE REQUIRED PURSUANT TO THIS SUBSECTION (2)(b) AND
24 SHALL ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD TO THE
25 NEAREST HUNDRED DOLLARS.

26 (e) THE LOCAL GOVERNMENT AND THE THIRD-PARTY ANALYST
27 RETAINED PURSUANT TO SUBSECTION (3)(j) OF THIS SECTION SHALL USE

1 THE BASELINE GROWTH RATE DETERMINED BY THE COMMISSION IN THEIR
2 ASSUMPTIONS AND ECONOMIC ANALYSES FOR THE PURPOSE OF
3 CALCULATING THEIR ESTIMATE OF THE MAXIMUM ANNUAL AND TOTAL
4 CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT
5 REVENUE AVAILABLE TO BE PLEDGED TO THE PROPOSED TRANSIT
6 INVESTMENT PROJECT AS REQUIRED BY SUBSECTIONS (3)(i) AND (3)(j) OF
7 THIS SECTION.

8 (3) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION
9 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SUBMIT THE
10 APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT IN A FORM AND
11 MANNER TO BE DETERMINED BY THE COMMISSION. AN APPLICATION MUST
12 INCLUDE AT LEAST:

13 (a) MAPS OF THE PROPOSED PROJECT AREA SHOWING BOTH
14 CURRENT CONDITIONS AND A CONCEPTUAL RENDERING OF THE PROPOSED
15 TRANSIT INVESTMENT PROJECT IN ITS ANTICIPATED BUILT CONDITION;

16 (b) A MAP SHOWING THE PROPOSED BOUNDARIES OF THE PROPOSED
17 TRANSIT INVESTMENT AREA;

18 (c) A NARRATIVE DESCRIPTION OF THE PROPOSED TRANSIT
19 INVESTMENT PROJECT, INCLUDING:

20 (I) THE LOCATION AND ESTIMATED OVERALL COST;

21 (II) ESTIMATED ELIGIBLE COSTS;

22 (III) THE ANTICIPATED SCOPE AND PHASING OF ELIGIBLE
23 IMPROVEMENTS;

24 (IV) THE INFRASTRUCTURE EXISTING OR NEEDED IN CONNECTION
25 WITH THE PROPOSED TRANSIT INVESTMENT PROJECT; AND

26 (V) AN OPERATIONS, MAINTENANCE, AND CAPITAL RESERVE PLAN
27 FOR THE PROPOSED TRANSIT INVESTMENT PROJECT;

1 (d) A DISCUSSION OF THE APPLICATION AND PRIORITIZATION
2 CRITERIA ESTABLISHED IN SUBSECTION (4) OF THIS SECTION AND SECTION
3 24-46-404 (3)(f)(II) RESPECTIVELY AND HOW THE PROPOSED TRANSIT
4 INVESTMENT PROJECT WILL MEET THESE CRITERIA. THIS DISCUSSION SHALL
5 INCLUDE AN ECONOMIC ANALYSIS DETAILING:

6 (I) PROJECTED ECONOMIC DEVELOPMENT INCLUDING THE
7 PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN COMMERCIAL
8 ACTIVITY, TOURISM, INCREASES IN THE RESIDENTIAL POPULATION, JOBS,
9 OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL INCREASE STATE
10 SALES TAX REVENUE THAT WILL BE CATALYZED, INDUCED, SUPPORTED, OR
11 FACILITATED BY THE PROPOSED PROJECT IN THE PROPOSED TRANSIT AND
12 INVESTMENT AREA;

13 (II) IMPACT OF THE PROJECT ON FUTURE STATE SALES TAX
14 REVENUE IN THE TRANSIT INVESTMENT AREA DURING AND AFTER THE
15 PROPOSED FINANCING TERM; AND

16 (III) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE
17 COMMISSION;

18 (e) (I) A DESCRIPTION OF THE PROPOSED FINANCING ENTITY; AND

19 (II) A GENERAL DESCRIPTION OF THE PROPOSED FINANCING
20 ENTITY'S PLAN FOR FINANCING THE ELIGIBLE COSTS AND PROVIDING THE
21 PROPOSED ELIGIBLE IMPROVEMENTS;

22 (f) IF APPLICABLE, A REQUEST FOR AUTHORIZATION OF A TRANSIT
23 INVESTMENT AUTHORITY, WHICH REQUEST SHALL INCLUDE A DESCRIPTION
24 OF THE PROPOSED TRANSIT INVESTMENT AUTHORITY'S:

25 (I) GEOGRAPHIC BOUNDARIES;

26 (II) REQUESTED POWERS; AND

27 (III) ANTICIPATED SOURCES OF REVENUE, IF ANY, IN ADDITION TO

1 STATE SALES TAX INCREMENT REVENUE;

2 (g) IF IT IS ANTICIPATED THAT THE PROPOSED FINANCING ENTITY
3 WILL ENTER INTO CONTRACTUAL ARRANGEMENTS WITH ONE OR MORE
4 URBAN RENEWAL AUTHORITIES, METROPOLITAN DISTRICTS, AUTHORITIES
5 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE
6 METROPOLITAN DISTRICTS, LOCAL GOVERNMENTS, REGIONAL
7 TRANSPORTATION AUTHORITIES, OR PRIVATE PARTIES WITH RESPECT TO
8 THE METHOD OF FINANCING THE ELIGIBLE COSTS AND PROVIDING THE
9 PROPOSED ELIGIBLE IMPROVEMENTS, A GENERAL DESCRIPTION OF THE
10 CONTEMPLATED CONTRACTUAL ARRANGEMENTS;

11 (h) IF IT IS ANTICIPATED THAT THE PROPOSED ELIGIBLE
12 IMPROVEMENTS WILL BE CONSTRUCTED IN PHASES OR THAT FINANCING OF
13 THE ELIGIBLE COSTS WILL BE ACCOMPLISHED IN PHASES, A DESCRIPTION OF
14 THE CONTEMPLATED PHASES AND THE ANTICIPATED TIMING OF THE
15 PHASES;

16 (i) CONCERNING THE FINANCING OF THE PROPOSED ELIGIBLE
17 PUBLIC IMPROVEMENTS BY THE FINANCING ENTITY, THE FOLLOWING
18 PROPOSED ITEMS:

19 (I) THE FINANCING TERM;

20 (II) THE MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX
21 INCREMENT REVENUE THAT CAN BE ALLOCATED TO THE FINANCING
22 ENTITY;

23 (III) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES
24 TAX INCREMENT REVENUE THAT CAN BE ALLOCATED TO THE FINANCING
25 ENTITY; AND

26 (IV) WHETHER THE STATE SALES TAX INCREMENT REVENUE THAT
27 EXCEEDS THE PROJECTED COSTS OF ELIGIBLE COSTS WILL BE SPENT ON

1 ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT
2 INVESTMENT PROJECT.

3 (j) UPON RECEIPT OF AN APPLICATION, THE OFFICE OF ECONOMIC
4 DEVELOPMENT SHALL COMMISSION A REPORT BY A THIRD-PARTY ANALYST
5 WHO IS AN EXPERT IN THE FIELD OF ECONOMIC OR PUBLIC FINANCIAL
6 ANALYSIS CALCULATING THE ANNUAL AND TOTAL CUMULATIVE DOLLAR
7 AMOUNTS OF STATE SALES TAX INCREMENT REVENUE AVAILABLE TO BE
8 PLEDGED TO THE PROPOSED TRANSIT INVESTMENT PROJECT TO BE SET BY
9 THE COMMISSION PURSUANT TO SECTION 24-46-404 (3). THE REVIEWING
10 THIRD-PARTY ANALYST MUST BE CHOSEN THROUGH A REQUEST FOR
11 PROPOSALS ISSUED BY THE OFFICE OF ECONOMIC DEVELOPMENT TO
12 ENSURE AN INDEPENDENT AND THOROUGH ANALYSIS, AND THE
13 THIRD-PARTY ANALYST SHALL REPORT TO THAT OFFICE. THE OFFICE OF
14 ECONOMIC DEVELOPMENT SHALL REQUIRE A LOCAL GOVERNMENT THAT
15 SUBMITS AN APPLICATION PURSUANT TO SUBSECTION (1) OF THIS SECTION
16 TO PAY THE COSTS FOR THE THIRD-PARTY ANALYST CHOSEN BY THE OFFICE
17 OF ECONOMIC DEVELOPMENT PURSUANT TO THIS SUBSECTION (3)(j) TO
18 COMMISSION THE REPORT; EXCEPT THAT, IF THE OFFICE OF ECONOMIC
19 DEVELOPMENT DETERMINES THAT THE PAYMENT OF THESE COSTS BY A
20 LOCAL GOVERNMENT WOULD CONSTITUTE AN EXTREME NEGATIVE
21 FINANCIAL HARDSHIP FOR THE LOCAL GOVERNMENT, THE OFFICE OF
22 ECONOMIC DEVELOPMENT MAY PAY THESE COSTS FROM THE TRANSIT
23 INVESTMENT ZONES CASH FUND CREATED IN SUBSECTION (6) OF THIS
24 SECTION OR, IF THERE IS INSUFFICIENT MONEY IN THE TRANSIT
25 INVESTMENT ZONES CASH FUND, THE OFFICE OF ECONOMIC DEVELOPMENT
26 MAY PAY THESE COSTS FROM THE GENERAL FUND TO THE EXTENT THE
27 GENERAL ASSEMBLY HAS SPECIFICALLY APPROPRIATED DEDICATED

1 FUNDING WHICH IS AVAILABLE FOR THIS PURPOSE; EXCEPT THAT THE
2 OFFICE SHALL NOT PAY THESE COSTS FOR MORE THAN TWO APPLICANTS IN
3 AN APPLICATION CYCLE. AS PART OF CREATING THE REPORT, THE
4 THIRD-PARTY ANALYST MUST:

5 (I) ESTIMATE THE TOTAL _____ STATE SALES TAX INCREMENT
6 REVENUE DURING THE FINANCING TERM IN THE PROPOSED TRANSIT
7 INVESTMENT AREA THAT THE FINANCING ENTITY IS ELIGIBLE TO RECEIVE;

8 (II) ESTIMATE THE MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE
9 SALES TAX INCREMENT REVENUE IN THE TRANSIT INVESTMENT AREA THAT
10 THE FINANCING ENTITY IS ELIGIBLE TO RECEIVE; AND

11 (III) ASSESS THE APPLICATION'S SATISFACTION OF THE CRITERIA
12 DESCRIBED IN SUBSECTION (4) OF THIS SECTION AND SECTION 24-46-404
13 (3)(f)(II);

14 (IV) TAKE INTO ACCOUNT PROJECTED ECONOMIC DEVELOPMENT
15 INCLUDING THE PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN
16 COMMERCIAL ACTIVITY, TOURISM, INCREASE IN THE RESIDENTIAL
17 POPULATION, JOBS OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL
18 INCREASE STATE SALES TAX REVENUE THAT WILL BE CATALYZED,
19 INDUCED, SUPPORTED, OR FACILITATED BY THE PROPOSED PROJECT IN THE
20 PROPOSED TRANSIT AND INVESTMENT AREA INCLUDED IN THE
21 APPLICATION; AND

22 (V) PROVIDE OTHER RELEVANT INFORMATION REQUIRED BY THE
23 OFFICE OF ECONOMIC DEVELOPMENT OR THE COMMISSION. _____

24 (k) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION
25 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SHARE THE DATA
26 AND ASSUMPTIONS IT USED IN ITS APPLICATION WITH THE THIRD-PARTY
27 ANALYST, AND THE ANALYST SHALL RELY ON THE DATA AND REASONING

1 AS IT DEEMS APPROPRIATE IN THE EXERCISE OF ITS INDEPENDENT
2 JUDGMENT. AN APPLICANT THAT IS DISSATISFIED WITH THE REPORT
3 PRODUCED BY THE THIRD-PARTY ANALYST MAY REVISE ITS APPLICATION
4 AND REQUEST THAT THE THIRD-PARTY ANALYST REVISE THE REPORT.

5 (4) AN APPLICATION MUST DEMONSTRATE THAT IT SATISFIES EACH
6 OF THE FOLLOWING CRITERIA:

7 (a) THE PROPOSED TRANSIT INVESTMENT PROJECT IS REASONABLY
8 ANTICIPATED TO RESULT IN A SUBSTANTIAL INCREASE IN TRANSIT
9 UTILIZATION;

10 (b) THE BOUNDARIES OF THE PROPOSED TRANSIT INVESTMENT
11 AREA ARE ONLY AS LARGE AS NECESSARY TO ACCOMPLISH THE PROPOSED
12 TRANSIT INVESTMENT PROJECT GOALS;

13 (c) THE PROPOSED TRANSIT INVESTMENT PROJECT OR SUBSTANTIAL
14 PORTIONS OF THE PROPOSED PROJECT HAVE BEEN IDENTIFIED AS PART OF
15 A LOCAL PLANNING PROCESS;

16 (d) THE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403
17 (3)(c)(II) ARE ELIGIBLE COSTS;

18 ==
19 (e) THE LOCAL GOVERNMENT THAT SUBMITTED THE APPLICATION
20 FOR THE PROPOSED TRANSIT INVESTMENT PROJECT HAS PROVIDED
21 RELIABLE ECONOMIC DATA DEMONSTRATING THAT, IN THE ABSENCE OF
22 STATE SALES TAX INCREMENT REVENUE, THE PROPOSED PROJECT IS NOT
23 REASONABLY ANTICIPATED TO BE DEVELOPED WITHIN THE FORESEEABLE
24 FUTURE; AND

25 (f) THE PROPOSED TRANSIT INVESTMENT PROJECT WILL BE
26 CARRIED OUT IN A MANNER CONSISTENT WITH THE HIRING,
27 APPRENTICESHIP, AND WORKFORCE STANDARDS APPLICABLE TO

1 INFRASTRUCTURE PROJECTS THAT ARE FINANCED BY THE BUILDING
2 URGENT INFRASTRUCTURE AND LEVERAGING DOLLARS AUTHORITY AS
3 REQUIRED BY SECTION 24-117-105 (6), TO THE EXTENT THESE STANDARDS
4 ARE NOT INCONSISTENT WITH THE REQUIREMENTS OF THIS PART 4.

5 (5) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE
6 COMMISSION WITH EACH APPLICATION RECEIVED AFTER THE DIRECTOR'S
7 REVIEW PURSUANT TO SECTION 24-46-404.

8 (6) (a) THE TRANSIT INVESTMENT ZONES CASH FUND IS CREATED
9 IN THE STATE TREASURY. THE FUND CONSISTS OF SUBMISSION FEES
10 COLLECTED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND CREDITED TO
11 THE FUND PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, AND ANY
12 OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR
13 TRANSFER TO THE FUND.

14 (b) IN ACCORDANCE WITH SECTION 24-36-114 (1), THE STATE
15 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
16 DEPOSIT AND INVESTMENT OF MONEY IN THE TRANSIT INVESTMENT ZONES
17 CASH FUND TO THE GENERAL FUND.

18 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
19 ASSEMBLY, THE OFFICE OF ECONOMIC DEVELOPMENT MAY EXPEND MONEY
20 FROM THE FUND TO PAY OR PARTIALLY PAY:

21 (I) THE COST INCURRED IN CONTRACTING WITH A THIRD-PARTY
22 ANALYST TO ESTIMATE THE BASELINE GROWTH RATE FOR THE PROPOSED
23 TRANSIT INVESTMENT AREA PURSUANT TO SUBSECTION (2)(a) OF THIS
24 SECTION; AND

25 (II) THE COSTS FOR THIRD-PARTY ANALYSTS AS DESCRIBED IN
26 SUBSECTION (3)(j) OF THIS SECTION.

27 **24-46-404. Transit investment project approval - director -**

1 **commission - review.**

2 (1) UPON RECEIPT OF A LOCAL GOVERNMENT'S APPLICATION FOR
3 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, THE DIRECTOR OR THE
4 DIRECTOR'S DESIGNEE SHALL REVIEW THE APPLICATION AND MAKE AN
5 INITIAL DETERMINATION AS TO WHETHER THE APPLICATION HAS MET THE
6 CRITERIA FOR A TRANSIT INVESTMENT PROJECT SPECIFIED IN SECTION
7 24-46-403 (4).

8 (2) AFTER REVIEWING AN APPLICATION FOR APPROVAL OF A
9 TRANSIT INVESTMENT PROJECT FOR COMPLETENESS, THE DIRECTOR SHALL
10 FORWARD THE APPLICATION:

11 (a) TO THE THIRD-PARTY ANALYST WHO WILL REVIEW THE
12 APPLICATION PURSUANT TO SECTION 24-46-403 (3)(j);

13 (b) AT LEAST THIRTY DAYS PRIOR TO A PUBLIC HEARING HELD
14 PURSUANT TO SUBSECTION (3) OF THIS SECTION, TO ANY LOCAL
15 GOVERNMENT THAT IS ADJACENT TO THE LOCATION OF THE PROPOSED
16 TRANSIT INVESTMENT AREA TO NOTIFY THE ADJACENT JURISDICTIONS OF
17 THE PROPOSAL; AND

18 (c) TO THE COMMISSION WITH A RECOMMENDATION THAT THE
19 COMMISSION APPROVE, APPROVE WITH CONDITIONS, OR DENY THE
20 APPLICATION.

21 (3) (a) UPON RECEIVING AN APPLICATION FOR THE APPROVAL OF
22 A TRANSIT INVESTMENT PROJECT, THE COMMISSION SHALL HOLD A PUBLIC
23 HEARING, SUBJECT TO THE OPEN MEETINGS LAW UNDER PART 4 OF ARTICLE
24 6 OF THIS TITLE 24, TO REVIEW AND CONSIDER THE APPLICATION. THE
25 COMMISSION MAY HOLD THE HEARING VIRTUALLY.

26 (b) AFTER HOLDING A HEARING PURSUANT TO SUBSECTION (3)(a)
27 OF THIS SECTION, WHILE GIVING CONSIDERATION TO THE DIRECTOR'S

1 RECOMMENDATIONS AND THE REPORT COMPLETED BY A THIRD-PARTY
2 ANALYST PURSUANT TO SECTION 24-46-403 (3)(j), THE COMMISSION SHALL
3 TIMELY APPROVE, APPROVE WITH CONDITIONS, OR DENY AN APPLICATION.

4 (c) THE COMMISSION SHALL APPROVE A LOCAL GOVERNMENT'S
5 APPLICATION FOR THE APPROVAL OF A TRANSIT INVESTMENT PROJECT IF A
6 MAJORITY OF THE COMMISSIONERS PARTICIPATING IN THE REVIEW OF THE
7 APPLICATION FINDS THAT THE APPLICATION DEMONSTRATES THAT EACH
8 OF THE CRITERIA IDENTIFIED IN SECTION 24-46-403 (4) IS MATERIALLY MET
9 AND HAS BEEN PRIORITIZED IN ACCORDANCE WITH SECTION 24-46-403
10 (3)(f)(II).

11 (d) (I) IF THE COMMISSION APPROVES AN APPLICATION FOR A
12 TRANSIT INVESTMENT PROJECT, IT SHALL ADOPT A RESOLUTION THAT
13 SPECIFIES:

14 (A) THE LOCAL GOVERNMENT THAT HAS BEEN APPROVED TO
15 UNDERTAKE A TRANSIT INVESTMENT PROJECT;

16 (B) THE BOUNDARY OF THE TRANSIT INVESTMENT AREA
17 ESTABLISHED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT;

18 (C) WHETHER THE COMMISSION HAS AUTHORIZED THE CREATION
19 OF A TRANSIT INVESTMENT AUTHORITY;

20 (D) THE BASELINE GROWTH RATE, PURSUANT TO SECTION
21 24-46-403 (2)(c);

22 (E) THE APPROVED FINANCING TERM;

23 (F) THE MAXIMUM DOLLAR AMOUNT OF STATE SALES TAX
24 INCREMENT REVENUE THAT CAN BE ANNUALLY DEDICATED TO THE
25 TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO
26 SUBSECTION (3)(j)(II) OF THIS SECTION; AND

27 (G) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES

1 TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT
2 INVESTMENT PROJECT, AS DETERMINED PURSUANT TO SUBSECTION (3)(i)(I)
3 OF THIS SECTION.

4 (II) IN DETERMINING THE MAXIMUM ANNUAL DOLLAR AMOUNT OF
5 STATE SALES TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE
6 TRANSIT INVESTMENT PROJECT PURSUANT TO SUBSECTION (3)(b)(I)(E) OF
7 THIS SECTION, THE COMMISSION SHALL CONSIDER THE AMOUNT IDENTIFIED
8 BY THE APPLICANT PURSUANT TO SECTION 24-46-403 (3)(i)(II) AND SHALL
9 ATTEMPT TO ENSURE THAT THE MAXIMUM ANNUAL DOLLAR AMOUNT DOES
10 NOT PREVENT DEDICATING THE TOTAL CUMULATIVE DOLLAR AMOUNT
11 ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBSECTION (3)(d)
12 TO BE PAID TO THE TRANSIT INVESTMENT PROJECT. AFTER ADOPTING THE
13 RESOLUTION REQUIRED PURSUANT TO THIS SUBSECTION (3)(d), THE
14 COMMISSION MAY ADOPT A SUBSEQUENT RESOLUTION THAT INCREASES
15 THE MAXIMUM ANNUAL DOLLAR AMOUNT THAT CAN BE DEDICATED TO THE
16 TRANSIT INVESTMENT PROJECT, BUT THE COMMISSION SHALL NOT
17 INCREASE THE MAXIMUM ANNUAL DOLLAR AMOUNT BY AN AMOUNT THAT
18 WOULD RESULT IN DEDICATING A TOTAL DOLLAR AMOUNT TO THE TRANSIT
19 INVESTMENT PROJECT THAT EXCEEDS THE TOTAL CUMULATIVE DOLLAR
20 AMOUNT ESTABLISHED BY THE COMMISSION PURSUANT TO THIS
21 SUBSECTION (3)(d).

22 (III) (A) IN DETERMINING THE TOTAL CUMULATIVE DOLLAR
23 AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT CAN BE
24 DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO
25 SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION SHALL AWARD
26 AN AMOUNT EQUAL TO THE TOTAL CUMULATIVE DOLLAR AMOUNT OF
27 STATE SALES TAX INCREMENT REVENUE THAT THE THIRD-PARTY ANALYST

1 DETERMINES CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS
2 REPORTED PURSUANT TO SECTION 24-46-403 (3)(j).

3 (B) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS
4 SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO
5 SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE
6 DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE
7 THIRD-PARTY ANALYST DETERMINES CAN BE DEDICATED TO THE TRANSIT
8 INVESTMENT PROJECT AS REPORTED PURSUANT TO SECTION 24-46-403
9 (3)(j) AND THE APPLICATION DID NOT AFFIRM THAT STATE SALES TAX
10 INCREMENT REVENUE THAT EXCEEDS THE ESTIMATED ELIGIBLE COSTS
11 WILL BE SPENT ON ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION
12 WITH THE TRANSIT INVESTMENT PROJECT, IN DETERMINING THE TOTAL
13 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
14 THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT
15 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION
16 SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES
17 TAX INCREMENT REVENUE EQUAL TO THE ESTIMATED ELIGIBLE COSTS
18 IDENTIFIED PURSUANT TO SECTION 24-46-403 (3)(c)(II).

19 (C) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS
20 SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO
21 SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE
22 DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE
23 THIRD-PARTY ANALYST DETERMINES CAN BE DEDICATED TO THE TRANSIT
24 INVESTMENT PROJECT AS REPORTED PURSUANT TO SECTION 24-46-403
25 (3)(j) AND THE APPLICATION AFFIRMED THAT STATE SALES TAX
26 INCREMENT REVENUE THAT EXCEEDS THE ESTIMATED ELIGIBLE COSTS
27 WILL BE SPENT ON ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION

1 WITH THE TRANSIT INVESTMENT PROJECT, IN DETERMINING THE TOTAL
2 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
3 THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT
4 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION
5 SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES
6 TAX INCREMENT REVENUE EQUAL TO THE ESTIMATED ELIGIBLE COSTS
7 IDENTIFIED PURSUANT TO SECTION 24-46-403 (3)(c)(II) AND ALLOW FOR
8 THE EXPENDITURE OF ADDITIONAL STATE SALES TAX INCREMENT REVENUE
9 FOR ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE
10 TRANSIT INVESTMENT PROJECT BEYOND THOSE ESTIMATED IN THE
11 APPLICATION SUCH THAT THE APPLICANT CAN SPEND IN TOTAL, ON
12 ADDITIONAL AND ESTIMATED ELIGIBLE COSTS, UP TO THE TOTAL
13 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
14 DETERMINED BY THE THIRD-PARTY ANALYST.

15 (e) THE COMMISSION SHALL NOT APPROVE ANY PROPOSED TRANSIT
16 INVESTMENT PROJECT THAT WOULD LIKELY CREATE A STATE SALES TAX
17 INCREMENT REVENUE DEDICATION OF MORE THAN SEVENTY-FIVE MILLION
18 DOLLARS TO ALL TRANSIT INVESTMENT PROJECTS IN ANY GIVEN FISCAL
19 YEAR.

20 (f) (I) THE COMMISSION SHALL NOT APPROVE MORE THAN THREE
21 TRANSIT INVESTMENT PROJECTS PURSUANT TO THIS SUBSECTION (3) IN
22 ANY CALENDAR YEAR AND SHALL NOT APPROVE MORE THAN SIX TRANSIT
23 INVESTMENT PROJECTS PURSUANT TO THIS SUBSECTION (3) IN TOTAL.

24 (II) IF THE COMMISSION DETERMINES MORE THAN THREE TRANSIT
25 INVESTMENT PROJECT APPLICATIONS IN A GIVEN CALENDAR YEAR MEET
26 EACH OF THE CRITERIA ESTABLISHED IN SECTION 24-46-403 (4), THE
27 COMMISSION SHALL PRIORITIZE THE THREE PROJECTS THAT THE

1 COMMISSION WILL APPROVE USING THE FOLLOWING CRITERIA:

2 (A) INCLUSION IN OR FIT WITH LOCAL, REGIONAL, OR STATE
3 TRANSPORTATION PLANS;

4 (B) STATEWIDE GEOGRAPHIC EQUITY;

5 (C) SCALE OF IMPACT; AND

6 (D) THE DEDICATION OF MATCHING LOCAL, SPECIAL DISTRICT, OR
7 OTHER NONSTATE PROVIDED FUNDING FOR THE PROJECT.

8 (III) IF THE COMMISSION DOES NOT APPROVE A PROPOSED TRANSIT
9 INVESTMENT PROJECT BECAUSE DOING SO WOULD CAUSE THE COMMISSION
10 TO APPROVE MORE THAN THREE PROPOSED TRANSIT INVESTMENT
11 PROJECTS IN THE SAME CALENDAR YEAR, THE COMMISSION MAY CONSIDER
12 SUCH A PROJECT FOR APPROVAL, APPROVAL WITH CONDITIONS, OR DENIAL
13 IN THE NEXT CALENDAR YEAR, SUBJECT TO THE PRIORITIZATION OF ALL
14 APPLICATIONS RECEIVED IN THE NEXT YEAR AND ALL APPLICATIONS BEING
15 RECONSIDERED FROM THE PRIOR YEAR BEING CONSIDERED IN A SINGLE
16 POOL.

17 (4) (a) AS PART OF THE APPROVAL OF A PROPOSED TRANSIT
18 INVESTMENT PROJECT, THE COMMISSION SHALL AUTHORIZE:

19 (I) THE DEPARTMENT TO COLLECT THE STATE SALES TAX
20 INCREMENT REVENUE IN CONNECTION WITH THE PROPOSED TRANSIT
21 INVESTMENT PROJECT ON BEHALF OF THE RELEVANT FINANCING ENTITY
22 FOR THE DURATION OF THE FINANCING TERM UP TO THE MAXIMUM ANNUAL
23 AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX
24 INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT
25 INVESTMENT PROJECT;

26 (II) THE DEPARTMENT TO ADJUST THE BASE YEAR REVENUE BY THE
27 AMOUNT OF THE BASELINE GROWTH RATE SPECIFIED IN THE RESOLUTION

1 APPROVING A TRANSIT INVESTMENT PROJECT;

2 (III) A FINANCING ENTITY TO RECEIVE AND USE THE STATE SALES
3 TAX INCREMENT REVENUE UP TO THE MAXIMUM ANNUAL AND TOTAL
4 CUMULATIVE DOLLAR AMOUNTS THAT CAN BE DEDICATED TO THE TRANSIT
5 INVESTMENT PROJECT FOR THE DURATION OF THE FINANCING TERM; AND

6 (IV) THE USE OF THE STATE SALES TAX INCREMENT REVENUE BY
7 THE FINANCING ENTITY PURSUANT TO THIS PART 4 AND ANY CONDITIONS
8 OF APPROVAL IMPOSED BY THE COMMISSION AND INCORPORATED IN
9 WRITING INTO THE COMMISSION'S RESOLUTION APPROVING THE PROPOSED
10 TRANSIT INVESTMENT PROJECT.

11 (b) IN IMPLEMENTING THE AUTHORIZATION DESCRIBED IN
12 SUBSECTION (4)(a)(II) OF THIS SECTION, THE DEPARTMENT SHALL REMIT
13 STATE SALES TAX INCREMENT REVENUE TO THE FINANCING ENTITY ON A
14 MONTHLY BASIS PROMPTLY AFTER COLLECTING THAT REVENUE.

15 (5) (a) FOR EACH YEAR OF THE FINANCING TERM, THE AMOUNT OF
16 STATE SALES TAX INCREMENT REVENUE DEDICATED TO A TRANSIT
17 INVESTMENT PROJECT MUST NOT EXCEED THE MAXIMUM ANNUAL DOLLAR
18 AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF
19 THIS SECTION. THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT
20 REVENUE DEDICATED TO A TRANSIT INVESTMENT PROJECT FOR THE ENTIRE
21 DURATION OF THE PROJECT SHALL NOT EXCEED THE TOTAL CUMULATIVE
22 DOLLAR AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO
23 SUBSECTION (3) OF THIS SECTION. THE DEPARTMENT SHALL TRACK THE
24 MAXIMUM ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE
25 SALES TAX INCREMENT REVENUE REMITTED TO THE FINANCING ENTITY IN
26 CONNECTION WITH A TRANSIT INVESTMENT PROJECT AND SHALL NOTIFY
27 THE COMMISSION WHEN CUMULATIVE PAYMENTS EQUAL NINETY PERCENT

1 OF THE LIMITS SET BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF
2 THIS SECTION FOR THE COMMISSION'S CONCURRENCE REGARDING THE
3 DOLLAR LIMITS.

4 (b) (I) AFTER THE DEPARTMENT HAS REMITTED THE MAXIMUM
5 ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
6 SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS
7 SECTION TO THE FINANCING ENTITY FOR A CALENDAR YEAR, THE
8 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX
9 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY UNTIL
10 THE FOLLOWING YEAR.

11 (II) AFTER THE DEPARTMENT HAS REMITTED THE TOTAL
12 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
13 SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS
14 SECTION TO THE FINANCING ENTITY, THE DEPARTMENT SHALL NOT REMIT
15 ANY ADDITIONAL STATE SALES TAX INCREMENT REVENUE FROM THE STATE
16 TO THE FINANCING ENTITY, EVEN IF THE APPROVED FINANCING TERM IS
17 NOT COMPLETED.

18 (III) AFTER THE FINANCING TERM SPECIFIED BY THE COMMISSION
19 PURSUANT TO SUBSECTION (3) OF THIS SECTION IS COMPLETED, THE
20 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX
21 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY, EVEN
22 IF THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX
23 INCREMENT REVENUE SPECIFIED BY THE COMMISSION PURSUANT TO
24 SUBSECTION (3) OF THIS SECTION HAS NOT BEEN REACHED.

25 (IV) THE DEPARTMENT SHALL NOTIFY THE COMMISSION IF IT IS NO
26 LONGER REMITTING STATE SALES TAX INCREMENT REVENUE TO THE
27 FINANCING ENTITY PURSUANT TO THIS SUBSECTION (5)(b).

1 (6) FOLLOWING THE COMMISSION'S APPROVAL OF AN APPLICATION,
2 AND THE ESTABLISHMENT OF THE TERMS OF AWARD INCLUDING THE ITEMS
3 DESCRIBED IN SUBSECTION (3)(d)(I) OF THIS SECTION, THE COMMISSION
4 SHALL PROMPTLY TRANSMIT WRITTEN NOTICE AND A COPY OF THE
5 APPROVAL TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT. THE
6 COMMISSION SHALL INCLUDE ANY INFORMATION DEEMED NECESSARY BY
7 THE DEPARTMENT TO FULFILL ITS OBLIGATIONS PURSUANT TO THIS PART
8 4 IN THE WRITTEN NOTICE.

9 **24-46-405. Transit investment authority - board - creation -**
10 **powers and duties.**

11 (1) THE COMMISSION SHALL NOT DENY A REQUEST TO AUTHORIZE
12 THE CREATION OF A TRANSIT INVESTMENT AUTHORITY IF THE COMMISSION
13 OTHERWISE APPROVES AN APPLICATION FOR A TRANSIT INVESTMENT
14 PROJECT THAT INCLUDES A REQUEST FOR THE FORMATION OF A TRANSIT
15 INVESTMENT AUTHORITY.

16 (2) A TRANSIT INVESTMENT AUTHORITY IS GOVERNED BY A BOARD
17 CONSISTING OF THE FOLLOWING MEMBERS:

18 (a) IF THE APPLICANT IS A SINGLE LOCAL GOVERNMENT:

19 (I) TWO MEMBERS APPOINTED BY THE COMMISSION WHO ARE
20 OWNERS OF COMMERCIAL PROPERTY WITHIN THE TRANSIT INVESTMENT
21 AREA;

22 (II) TWO MEMBERS APPOINTED BY THE LOCAL GOVERNMENT WHO
23 ARE ELECTED OFFICIALS OF THE LOCAL GOVERNMENT; AND

24 (III) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY
25 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
26 THE PROPOSED TRANSIT INVESTMENT PROJECT.

27 (b) IF THE APPLICANT IS TWO LOCAL GOVERNMENTS:

1 (I) TWO MEMBERS APPOINTED BY THE COMMISSION WHO ARE
2 OWNERS OF COMMERCIAL PROPERTY WITHIN THE TRANSIT INVESTMENT
3 AREA;

4 (II) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY
5 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
6 THE PROPOSED TRANSIT INVESTMENT PROJECT; AND

7 (III) ONE MEMBER APPOINTED BY EACH OF THE TWO LOCAL
8 GOVERNMENTS WHO IS AN ELECTED OFFICIAL OF ONE OF THE LOCAL
9 GOVERNMENTS.

10 (c) IF THE APPLICANT IS MORE THAN TWO LOCAL GOVERNMENTS:

11 (I) ONE MEMBER APPOINTED BY EACH LOCAL GOVERNMENT IN THE
12 TRANSIT INVESTMENT AUTHORITY WHO IS AN ELECTED OFFICIAL OF ONE OF
13 THE LOCAL GOVERNMENTS; AND

14 (II) THREE OR MORE MEMBERS, AS DETERMINED BY THE
15 COMMISSION SO THAT THE TOTAL NUMBER OF MEMBERS ON A GOVERNING
16 BOARD IS AN ODD NUMBER, REPRESENTING COMMERCIAL PROPERTY
17 OWNERS WITHIN THE TRANSIT INVESTMENT AREA, APPOINTED BY THE
18 COMMISSION; AND

19 (d) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY
20 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
21 THE PROPOSED TRANSIT INVESTMENT PROJECT.

22 (3) UNLESS LIMITED BY THE COMMISSION'S CONDITIONS OF
23 APPROVAL, EACH TRANSIT INVESTMENT AUTHORITY HAS ALL THE POWERS
24 NECESSARY OR CONVENIENT TO CARRY OUT THIS PART 4, INCLUDING THE
25 FOLLOWING POWERS:

26 (a) PERPETUAL EXISTENCE AND SUCCESSION;

27 (b) TO ADOPT, HAVE, AND USE A CORPORATE SEAL;

1 (c) TO SUE AND BE SUED AND TO BE A PARTY TO SUITS, ACTIONS,
2 AND PROCEEDINGS;

3 (d) TO UNDERTAKE TRANSIT INVESTMENT PROJECTS;

4 (e) TO ENTER INTO CONTRACTS AND AGREEMENTS AFFECTING THE
5 AFFAIRS OF THE TRANSIT INVESTMENT AUTHORITY AS NECESSARY TO
6 COMPLETE A TRANSIT INVESTMENT PROJECT;

7 (f) TO RECEIVE, INVEST, PLEDGE, SPEND, AND OTHERWISE USE AND
8 EXPEND STATE SALES TAX INCREMENT REVENUE IN ACCORDANCE WITH AN
9 APPROVED TRANSIT INVESTMENT PROJECT;

10 (g) TO ASSIGN AND PLEDGE TO ANY COUNTY REVITALIZATION
11 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
12 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
13 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
14 AUTHORITY HAVING ALL OR ANY PORTION OF THE TRANSIT INVESTMENT
15 AREA WITHIN ITS BOUNDARIES OR SERVICE AREA THE TRANSIT
16 INVESTMENT AUTHORITY'S RIGHT TO RECEIVE AND USE STATE SALES TAX
17 INCREMENT REVENUE TO SUPPORT BONDS OR OTHER FINANCING
18 INSTRUMENTS ISSUED OR ENTERED INTO BY THE COUNTY REVITALIZATION
19 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
20 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
21 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
22 AUTHORITY FOR ELIGIBLE COSTS OR TO ACQUIRE ELIGIBLE IMPROVEMENTS,
23 INCLUDING LOANS OR FUNDING AND REIMBURSEMENT AGREEMENTS WITH
24 DEVELOPERS INVOLVED IN THE TRANSIT INVESTMENT PROJECT OR OTHER
25 THIRD PARTIES;

26 (h) TO BORROW MONEY AND INCUR INDEBTEDNESS AND EVIDENCE
27 THE SAME BY CERTIFICATES AND NOTE AND DEBENTURES;

1 (i) TO ISSUE BONDS IN ACCORDANCE WITH SECTION 24-46-409;

2 (j) TO INVEST ANY OF THE AUTHORITY'S FUNDS THAT ARE NOT
3 REQUIRED FOR IMMEDIATE DISBURSEMENT;

4 (k) TO DEPOSIT ANY FUNDS NOT REQUIRED FOR IMMEDIATE
5 DISBURSEMENT IN ANY DEPOSITORY AUTHORIZED IN SECTION 24-75-603
6 AND, FOR THE PURPOSE OF MAKING THE DEPOSITS, TO APPOINT BY WRITTEN
7 RESOLUTION ONE OR MORE PERSONS TO ACT AS CUSTODIANS OF THE
8 AUTHORITY'S FUND, WHICH PERSON SHALL GIVE SURETY BONDS IN THE
9 AMOUNTS AND FORM AND FOR THE PURPOSES REQUIRED BY THE
10 AUTHORITY;

11 (l) TO MAKE APPROPRIATIONS AND EXPENDITURES OF ITS FUNDS
12 AND TO SET UP, ESTABLISH, AND MAINTAIN GENERAL, SEPARATE, OR
13 SPECIAL FUNDS AND BANK ACCOUNTS OR OTHER ACCOUNTS AS IT DEEMS
14 NECESSARY OR CONVENIENT TO CARRY OUT THIS PART 4;

15 (m) TO ACCEPT ON ITS OWN BEHALF REAL OR PERSONAL PROPERTY
16 FOR ITS OWN USE;

17 (n) TO ACCEPT GIFTS AND CONVEYANCES MADE TO THE
18 AUTHORITY UPON THE TERMS OR CONDITIONS APPROVED BY THE
19 AUTHORITY'S BOARD;

20 (o) TO ADOPT, AMEND, AND ENFORCE BYLAWS AND RULES THAT
21 ARE NOT IN CONFLICT WITH THE CONSTITUTION AND LAWS OF THE STATE
22 FOR CARRYING OUT THE BUSINESS, OBJECTS, AND AFFAIRS OF THE
23 AUTHORITY;

24 (p) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
25 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS GRANTED TO
26 THE TRANSIT INVESTMENT AUTHORITY BY THIS PART 4. THE SPECIFIC
27 POWERS SHALL NOT BE CONSIDERED A LIMITATION UPON ANY POWER

1 NECESSARY OR APPROPRIATE TO CARRY OUT THIS PART 4.

2 (q) TO AUTHORIZE THE USE OF ELECTRONIC RECORDS OR
3 SIGNATURES AND TO ADOPT RULES, STANDARDS, POLICIES, AND
4 PROCEDURES FOR USE OF ELECTRONIC RECORDS OR SIGNATURES PURSUANT
5 TO ARTICLE 71.3 OF THIS TITLE 24.

6 (r) TO ENSURE THAT EVERY CONTRACT, CONSTRUCTION ACTIVITY,
7 PROCUREMENT, AND PROJECT DELIVERY FOR AN APPROVED TRANSIT
8 INVESTMENT PROJECT COMPLIES WITH THE HIRING, APPRENTICESHIP, AND
9 WORKFORCE STANDARDS APPLICABLE TO INFRASTRUCTURE PROJECTS
10 THAT ARE FINANCED BY THE BUILDING URGENT INFRASTRUCTURE AND
11 LEVERAGING DOLLARS AUTHORITY AS REQUIRED BY SECTION 24-117-105
12 (6), TO THE EXTENT APPLICABLE, AND INCORPORATE THESE STANDARDS
13 INTO SOLICITATIONS AND AGREEMENTS AS APPLICABLE.

14 (4) A TRANSIT INVESTMENT AUTHORITY DOES NOT HAVE THE
15 POWER OF EMINENT DOMAIN AND DOES NOT HAVE THE POWER TO IMPOSE
16 OR LEVY ANY SALES TAX, USE TAX, PROPERTY TAX, OR ANY OTHER TAX.

17 (5) THE BOARD OF DIRECTORS OF A TRANSIT INVESTMENT
18 AUTHORITY IS SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART
19 2 OF ARTICLE 72 OF THIS TITLE 24, AND THE "COLORADO SUNSHINE ACT
20 OF 1972", ARTICLE 6 OF THIS TITLE 24.

21 **24-46-406. State sales tax increment revenue.**

22 (1) IN ORDER TO IMPLEMENT THE COLLECTION OF STATE SALES TAX
23 INCREMENT REVENUE, THE RESOLUTION ADOPTED BY THE COMMISSION
24 APPROVING A TRANSIT INVESTMENT PROJECT SHALL STATE THAT THE
25 DEPARTMENT SHALL, AFTER ANNUALLY RETAINING AN AMOUNT OF THE
26 STATE SALES TAX INCREMENT REVENUE ESTABLISHED BY THE
27 DEPARTMENT AS NECESSARY TO OFFSET THE DEPARTMENT'S ACTUAL

1 DIRECT COSTS AND EXPENSES INCURRED IN PERFORMING THE
2 DEPARTMENT'S COLLECTION AND DISBURSEMENT FUNCTIONS ESTABLISHED
3 IN THIS PART 4 IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT,
4 DIVIDE AND DISTRIBUTE STATE SALES TAXES LEVIED AND COLLECTED ON
5 IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA
6 COMMENCING ON THE FIRST DAY OF THE FIRST MONTH AFTER THE
7 DEPARTMENT HAS COLLECTED THE BASE YEAR REVENUE FOR THE YEAR
8 AFTER THE EFFECTIVE DATE OF THE COMMISSION'S APPROVAL OF THE
9 PROJECT AS FOLLOWS:

10 (a) FIRST, THE PORTION OF STATE SALES TAXES COLLECTED ON
11 IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT
12 INVESTMENT AREA EQUAL TO THE BASE YEAR REVENUE AS ADJUSTED FOR
13 THE BASELINE GROWTH RATE, IF APPLICABLE, IS PAID INTO THE STATE
14 TREASURY AS STATE SALES TAXES ARE NORMALLY COLLECTED AND PAID;

15 (b) SECOND, THE PORTION OF STATE SALES TAXES COLLECTED ON
16 IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT
17 INVESTMENT AREA EQUAL TO THE STATE SALES TAX INCREMENT REVENUE
18 ARE PAID INTO A SPECIAL FUND ESTABLISHED BY THE FINANCING
19 ENTITY PURSUANT TO SUBSECTION (2) OF THIS SECTION; AND

20 (c) THIRD, EXCESS STATE SALES TAX COLLECTIONS ABOVE THE
21 MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT
22 REVENUE IN ANY GIVEN YEAR AND ANY CUMULATIVE EXCESS STATE SALES
23 TAX COLLECTIONS ABOVE THE TOTAL CUMULATIVE STATE SALES TAX
24 INCREMENT REVENUE ARE PAID INTO THE STATE TREASURY AS SALES
25 TAXES ARE NORMALLY COLLECTED AND PAID AND, IF THERE IS
26 INSUFFICIENT STATE SALES TAXES COLLECTED ON IN-PERSON SALES MADE
27 WITHIN THE BOUNDARIES OF THE TRANSIT INVESTMENT AREA TO MAKE

1 THE ALLOCATION DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION,
2 TO THE EXTENT NECESSARY TO ACCOUNT FOR THE AMOUNT SET FORTH IN
3 SECTION 24-46-402 (17)(a)(II), THE DEPARTMENT SHALL ALLOCATE STATE
4 SALES TAX REVENUE IN EXCESS OF THE STATE SALES TAX COLLECTED ON
5 IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA, WHICH
6 ALLOCATION IS NEVERTHELESS STATE SALES TAX INCREMENT REVENUE.

7 (2) (a) A FINANCING ENTITY MUST SEGREGATE REVENUE
8 ALLOCATED TO THE FINANCING ENTITY BY THE DEPARTMENT PURSUANT
9 TO SUBSECTION (1)(b) OF THIS SECTION IN A SPECIAL FUND. THE
10 FINANCING ENTITY SHALL SEGREGATE THE SPECIAL FUND FROM THE
11 FINANCING ENTITY'S OTHER FUNDS. THE FINANCING ENTITY MAY USE THE
12 MONEY IN THE SPECIAL FUND TO PAY THE PRINCIPAL OF, THE INTEREST ON,
13 AND ANY PREMIUMS DUE IN CONNECTION WITH THE BONDS OF, LOANS OR
14 ADVANCES TO, OR INDEBTEDNESS INCURRED BY, WHETHER FUNDED,
15 REFUNDED, ASSUMED, OR OTHERWISE, THE FINANCING ENTITY FOR
16 FINANCING OR REFINANCING, IN WHOLE OR IN PART, A TRANSIT
17 INVESTMENT PROJECT.

18 (b) A FINANCING ENTITY MAY USE REVENUE ALLOCATED TO THE
19 FINANCING ENTITY BY THE DEPARTMENT PURSUANT TO SUBSECTION (1)(b)
20 OF THIS SECTION SOLELY TO FINANCE ELIGIBLE COSTS INCURRED FOR THE
21 PURPOSE OF CONSTRUCTING THE ELIGIBLE IMPROVEMENTS AND
22 IMPLEMENTING THE TRANSIT INVESTMENT PROJECT.

23 (3) EXCEPT FOR THE AMOUNT RETAINED BY THE DEPARTMENT
24 PURSUANT TO SUBSECTION (1) OF THIS SECTION, STATE SALES TAX
25 INCREMENT REVENUE, TOGETHER WITH ANY INVESTMENT INCOME EARNED
26 ON THAT REVENUE, IS FOR ALL PURPOSES ASSIGNED TO, THE PROPERTY OF,
27 AND THE REVENUE OF THE APPLICABLE FINANCING ENTITY AND IS NOT FOR

1 ANY PURPOSE REVENUE OR PROPERTY OF THE STATE.

2 (4) A SINGLE DEBT ISSUANCE OF A FINANCING ENTITY MUST NOT
3 HAVE A MATURITY DATE IN EXCESS OF THIRTY YEARS FROM THE DATE OF
4 ISSUANCE, UNLESS THE FINANCING ENTITY BOTH:

5 (a) ANTICIPATES ISSUING A SERIES OF BONDS OR OTHER FORMS OF
6 DEBT; AND

7 (b) HAS THE ABILITY TO CONSOLIDATE OR REFINANCE PREVIOUSLY
8 ISSUED DEBT OR BONDS WITH A MATURITY DATE FOR SUCH CONSOLIDATED
9 OR REFINANCED DEBT OR BONDS NOT TO EXCEED THIRTY YEARS FROM THE
10 DATE OF ISSUANCE OF THE CONSOLIDATING OR REFINANCING BONDS.

11 (5) NO LOCAL GOVERNMENT SHALL BE LIABLE FOR ANY DEBT
12 ISSUANCE OF THE FINANCING ENTITY, AND A DEBT ISSUANCE OF THE
13 FINANCING ENTITY SHALL NOT CONSTITUTE A DEBT OF A LOCAL
14 GOVERNMENT.

15 (6) ON OR BEFORE JULY 1, 2029, AND ON OR BEFORE JULY 1 EVERY
16 THREE YEARS THEREAFTER, THE DEPARTMENT MUST SUBMIT A REPORT TO
17 THE OFFICE OF STATE PLANNING AND BUDGETING AND THE COMMISSION ON
18 TECHNOLOGICAL OR OTHER METHODS TO INCORPORATE SALES DELIVERED
19 FROM WITHOUT THE TRANSIT INVESTMENT AREA INTO THE CALCULATION
20 OF THE INCREMENT AND TO ALLOW FOR THE DESIGNATION OF ADDITIONAL
21 TRANSIT AND HOUSING INVESTMENT ZONES AND TRANSIT INVESTMENT
22 AREAS, INCLUDING COST ESTIMATES, ADMINISTRATIVE BURDEN, AND
23 BURDEN ON TAXPAYERS.

24 **24-46-407. Annual report - audit.**

25 (1) (a) WITHIN NINETY DAYS OF THE END OF THE FIRST FULL STATE
26 FISCAL YEAR AFTER THE COMMISSION APPROVES A TRANSIT INVESTMENT
27 PROJECT AND ON THE SAME DATE EACH YEAR THEREAFTER, THE

1 FINANCING ENTITY SHALL PREPARE AND SUBMIT TO THE COMMISSION AN
2 ANNUAL REPORT DETAILING:

3 (I) THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT REVENUE
4 THAT THE FINANCING ENTITY HAS RECEIVED OVER THE PAST YEAR;

5 (II) HOW THE FINANCING ENTITY HAS SPENT THE STATE SALES TAX
6 INCREMENT REVENUE THAT IT HAS RECEIVED;

7 (III) PROJECTED STATE SALES TAX INCREMENT REVENUE FOR THE
8 REMAINDER OF THE PERIOD FOR WHICH THE FINANCING ENTITY MAY
9 RECEIVE STATE SALES TAX INCREMENT REVENUE; AND

10 (IV) A SUMMARY OF THE STATUS OF CONSTRUCTION OF THE
11 ELIGIBLE IMPROVEMENTS RELATED TO THE TRANSIT INVESTMENT PROJECT.

12 (b) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION
13 (1)(a) OF THIS SECTION, A FINANCING ENTITY SUBMITTING A REPORT
14 PURSUANT TO THIS SUBSECTION (1) SHALL ALSO INCLUDE IN THAT REPORT
15 WHETHER THE FINANCIAL ENTITY IS USING ANY STATE SALES TAX
16 INCREMENT REVENUE FOR PURPOSES OTHER THAN FOR ELIGIBLE COSTS
17 AND ANY OTHER FINANCIAL INFORMATION THAT IS REASONABLY REQUIRED
18 BY THE COMMISSION.

19 (c) IF ANY INFORMATION PROVIDED IN THE ANNUAL REPORT
20 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION WILL BE A TRADE
21 SECRET, PROPRIETARY, OR OTHERWISE ENTITLED TO PROTECTION
22 PURSUANT TO PART 2 OF ARTICLE 72 OF THIS TITLE 24, THAT INFORMATION
23 IS SO DESIGNATED BY THE FINANCING ENTITY AND KEPT CONFIDENTIAL BY
24 THE STATE.

25 (d) THE GOVERNING BODY OF THE FINANCING ENTITY SHALL
26 ATTEST TO THE ACCURACY OF THE INFORMATION PROVIDED IN THE
27 ANNUAL REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION.

1 (2) (a) IN CONNECTION WITH THE ANNUAL REPORT REQUIRED
2 PURSUANT TO SUBSECTION (1) OF THIS SECTION, A FINANCING ENTITY
3 SHALL SUBMIT AN INDEPENDENT AUDIT OF ITS FINANCIAL STATUS THAT IS
4 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT ATTESTING TO THE
5 ACCURACY OF THE ANNUAL REPORT.

6 (b) IF THE AUDIT PREPARED PURSUANT TO SUBSECTION (2)(a) OF
7 THIS SECTION FINDS THAT A FINANCING ENTITY HAS USED STATE SALES
8 TAX INCREMENT REVENUE FOR UNAUTHORIZED PURPOSES, THE FINANCING
9 ENTITY IS LIABLE FOR THE REPAYMENT TO THE GENERAL FUND OF THE
10 STATE SALES TAX INCREMENT REVENUE THAT WAS INTENDED FOR THE
11 TRANSIT INVESTMENT PROJECT. THE FINANCING ENTITY MAY MAKE THE
12 REPAYMENT:

13 (I) FROM THE FINANCING ENTITY'S FUNDS DERIVED FROM SOURCES
14 OTHER THAN STATE SALES TAX INCREMENT REVENUE;

15 (II) BY OFFSETTING AGAINST FUTURE STATE SALES TAX
16 INCREMENT REVENUE THAT THE DEPARTMENT WOULD OTHERWISE
17 DISBURSE TO THE FINANCING ENTITY; OR

18 (III) FROM OTHER FUNDS THAT ARE LEGALLY AVAILABLE TO THE
19 FINANCING ENTITY FOR SUCH PURPOSE.

20 (4) IF A FINANCING ENTITY IS A COUNTY REVITALIZATION
21 AUTHORITY, A METROPOLITAN DISTRICT, AN AUTHORITY FORMED BY
22 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
23 DISTRICTS, A REGIONAL TRANSPORTATION AUTHORITY, OR AN URBAN
24 RENEWAL AUTHORITY, IT MAY COMPLY WITH THIS SECTION BY SUBMITTING
25 TO THE COMMISSION A COPY OF THE REPORT THAT THE COUNTY
26 REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY
27 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE

1 METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR
2 URBAN RENEWAL AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A
3 LOCAL GOVERNMENT PURSUANT TO LAW. THE FINANCING ENTITY SHALL
4 DELIVER A COPY OF THE REPORT THAT THE COUNTY REVITALIZATION
5 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
6 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
7 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
8 AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A LOCAL GOVERNMENT
9 PURSUANT TO LAW AT THE SAME TIME AS AN ANNUAL REPORT OR AUDIT
10 OTHERWISE REQUIRED BY LAW.

11 (5) THE OFFICE OF ECONOMIC DEVELOPMENT AND THE
12 DEPARTMENT SHALL PREPARE A REPORT FOR THE OFFICE OF ECONOMIC
13 DEVELOPMENT TO SUBMIT NO LATER THAN NOVEMBER 1 OF THE
14 APPLICABLE FISCAL YEAR TO THE FINANCE COMMITTEES OF THE HOUSE OF
15 REPRESENTATIVES AND SENATE; THE BUSINESS AND ECONOMIC
16 DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES; AND THE
17 BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE; OR ANY
18 SUCCESSOR COMMITTEES. THE REPORT SHALL INCLUDE INFORMATION ON
19 ALL STATE SALES TAX INCREMENT REVENUE COLLECTED FOR TRANSIT
20 INVESTMENT DURING THE PRIOR STATE FISCAL YEAR AND INFORMATION
21 FROM THE REPORTS REQUIRED PURSUANT TO SUBSECTION (6) OF THIS
22 SECTION.

23 (6) (a) EACH YEAR, NO LATER THAN SEPTEMBER 1, THE
24 DEPARTMENT SHALL REPORT TO THE COMMISSION THE AGGREGATE
25 AMOUNT OF STATE SALES TAX INCREMENT REVENUE ALLOCATED TO
26 FINANCING ENTITIES FOR APPROVED TRANSIT INVESTMENT PROJECTS.

27 (b) EVERY TWO YEARS, NO LATER THAN NOVEMBER 1, THE OFFICE

1 OF ECONOMIC DEVELOPMENT AND THE DEPARTMENT SHALL REPORT TO
2 THE COMMISSION DETAILED INFORMATION ON EACH TRANSIT INVESTMENT
3 PROJECT APPROVED TO RECEIVE STATE SALES TAX INCREMENT REVENUE,
4 INCLUDING:

5 (I) THE AMOUNT OF STATE SALES TAX INCREMENT REVENUE
6 ALLOCATED FOR THE PROJECT;

7 (II) THE BOUNDARIES OF THE APPROVED TRANSIT INVESTMENT
8 AREA AND NARRATIVE FOR THE TRANSIT INVESTMENT PROJECT;

9 (III) THE PROPOSED TERM OF FINANCING AND THE NEW NET
10 REVENUE THAT IS APPROVED FOR THE TRANSIT INVESTMENT PROJECT;

11 (IV) THE ACTUAL STATE SALES TAX INCREMENT REVENUE
12 COLLECTED WITHIN THE TRANSIT INVESTMENT AREA COMPARED TO THE
13 PROJECTED REVENUES CONTAINED IN THE APPROVED APPLICATION THAT
14 PROPOSED THE TRANSIT INVESTMENT AREA; AND

15 (V) AN ASSESSMENT OF THE OVERALL EFFECTIVENESS OF THE
16 TRANSIT INVESTMENT PROJECT IN ACHIEVING INCREASED TRANSIT
17 RIDERSHIP.

18 **24-46-408. Commencement of development.**

19 (1) SUBSTANTIAL WORK ON A TRANSIT INVESTMENT PROJECT,
20 INCLUDING THE FINANCING ENTITY'S ISSUANCE OF BONDS OR OTHER DEBT
21 INSTRUMENTS, THE REPAYMENT OF WHICH IS SECURED BY A PLEDGE OF
22 THE STATE SALES TAX INCREMENT REVENUE OR THE COMMENCEMENT OF
23 ACTUAL DEVELOPMENT OR PREDEVELOPMENT, SUCH AS ERECTING
24 PERMANENT STRUCTURES, EXCAVATING THE GROUND TO LAY
25 FOUNDATIONS, MASS GRADING OF THE SITE, OR WORK OF A SIMILAR
26 DESCRIPTION THAT MANIFESTS AN INTENTION AND PURPOSE TO COMPLETE
27 THE PROJECT MUST COMMENCE WITHIN FIVE YEARS FROM THE DATE OF

1 THE COMMISSION'S APPROVAL OF THE PROJECT.

2 (2) IF SUBSTANTIAL WORK ON THE TRANSIT INVESTMENT PROJECT
3 TOWARD THE GOALS SPECIFIED IN THE APPLICATION PURSUANT TO SECTION
4 24-46-403 DOES NOT COMMENCE WITHIN FIVE YEARS OF THE
5 COMMISSION'S APPROVAL, THE COMMISSION MAY REVOKE OR MODIFY ITS
6 APPROVAL OF THE FINANCING ENTITY OR THE PROJECT. REVOCATION OF
7 APPROVAL MAY BE APPEALED TO THE COMMISSION, WHICH MAY
8 REINSTATE ITS APPROVAL UPON A SHOWING OF GOOD CAUSE FOR THE
9 DELAY. IF SUBSTANTIAL WORK ON THE PROJECT DOES NOT COMMENCE
10 WITHIN ONE YEAR OF REINSTATEMENT OF APPROVAL FROM THE
11 COMMISSION, THE COMMISSION SHALL REVOKE APPROVAL OF THE PROJECT.

12 (3) UPON THE REVOCATION OF THE APPROVAL OF A FINANCING
13 ENTITY OR THE TRANSIT INVESTMENT PROJECT:

14 (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(b) OF
15 THIS SECTION, THE COMMISSION MAY REQUIRE THE FINANCING ENTITY TO
16 REFUND TO THE STATE TREASURER ANY STATE SALES TAX INCREMENT
17 REVENUE THAT THE PROJECT HAS GENERATED OR THAT THE FINANCING
18 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR
19 THE PROJECT OR FINANCING ENTITY;

20 (b) ANY STATE SALES TAX INCREMENT REVENUE THAT THE
21 TRANSIT INVESTMENT PROJECT HAS GENERATED OR THAT THE FINANCING
22 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR
23 THE PROJECT OR FINANCING ENTITY MAY REMAIN DEDICATED TO THE
24 PROJECT ONLY TO THE EXTENT THAT IT HAS BEEN PREVIOUSLY EXPENDED
25 OR PLEDGED BY THE FINANCING ENTITY FOR THE FINANCING OF ELIGIBLE
26 COSTS; AND

27 (c) THE STATE SHALL NOT REMIT FURTHER FUNDS TO THE REVOKED

1 FINANCIAL ENTITY OR TRANSIT INVESTMENT PROJECT.

2 (4) IN EVALUATING WHETHER SUBSTANTIAL WORK HAS BEEN
3 COMMENCED FOR PURPOSES OF ADMINISTERING THIS SECTION, THE
4 COMMISSION SHALL RELY ON THE INFORMATION AND DATA SUPPLIED IN
5 THE ANNUAL REPORTS SUBMITTED BY THE FINANCING ENTITY OR
6 CERTIFIED PUBLIC ACCOUNTANT PURSUANT TO SECTION 24-46-407 AND
7 ANY SUPPLEMENTAL DATA DEEMED NECESSARY BY THE COMMISSION.

8 (5) FAILURE OF A PROJECT TO COMPLY WITH THE HIRING,
9 APPRENTICESHIP, AND WORKFORCE STANDARDS APPLICABLE TO
10 INFRASTRUCTURE PROJECTS THAT ARE FINANCED BY THE BUILDING
11 URGENT INFRASTRUCTURE AND LEVERAGING DOLLARS AUTHORITY AS
12 REQUIRED BY SECTION 24-117-105 (6), TO THE EXTENT APPLICABLE,
13 CONSTITUTES GROUNDS FOR THE COMMISSION TO REVOKE OR MODIFY
14 PROJECT APPROVAL PURSUANT TO THIS SECTION. PRIOR TO REVOKING
15 PROJECT APPROVAL PURSUANT TO THIS SUBSECTION (5), THE COMMISSION
16 SHALL PROVIDE NOTICE AND AN OPPORTUNITY TO CURE.

17 (6) THE COMMISSION ONLY HAS THE AUTHORITY TO REVOKE ITS
18 APPROVAL OF A FINANCING ENTITY OR A TRANSIT INVESTMENT PROJECT
19 PURSUANT TO THIS SECTION.

20 **24-46-409. Issuance of bonds by a financing entity.**

21 (1) A FINANCING ENTITY MAY ISSUE BONDS FROM TIME TO TIME IN
22 ITS DISCRETION TO FINANCE ANY ELIGIBLE IMPROVEMENTS WITH RESPECT
23 TO A TRANSIT INVESTMENT PROJECT AND MAY ALSO ISSUE REFUNDING OR
24 OTHER BONDS OF THE FINANCING ENTITY FROM TIME TO TIME IN ITS
25 DISCRETION FOR THE PAYMENT, RETIREMENT, RENEWAL, REFINANCING, OR
26 EXTENSION OF ANY BONDS PREVIOUSLY ISSUED BY THE FINANCING ENTITY
27 UNDER THIS SECTION.

1 (2) (a) BONDS ISSUED UNDER THIS SECTION MAY BE GENERAL
2 OBLIGATION OR █████ REVENUE BONDS OF THE FINANCING ENTITY, THE
3 PAYMENT OF WHICH, AS TO PRINCIPAL AND INTEREST AND PREMIUMS, IF
4 ANY, THE FULL FAITH, CREDIT, AND ASSETS, ACQUIRED AND TO BE
5 ACQUIRED, OF THE FINANCING ENTITY MAY BE IRREVOCABLY PLEDGED.

6 (b) BONDS ISSUED UNDER THIS SECTION MAY BE SPECIAL
7 OBLIGATIONS OF THE FINANCING ENTITY THAT, AS TO PRINCIPAL AND
8 INTEREST AND PREMIUMS, IF ANY, ARE PAYABLE SOLELY FROM AND
9 SECURED ONLY BY A PLEDGE OF ANY INCOME, PROCEEDS, REVENUES, OR
10 FUNDS OF THE FINANCING ENTITY, INCLUDING, WITHOUT LIMITATION,
11 STATE SALES TAX INCREMENT REVENUE.

12 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
13 ANY BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
14 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
15 ANY, BY A MORTGAGE OF ANY TRANSIT INVESTMENT PROJECT, OR ANY
16 PART THEREOF, TITLE TO WHICH IS THEN OR THEREAFTER IN THE
17 FINANCING ENTITY OR OF ANY OTHER REAL OR PERSONAL PROPERTY OR
18 INTERESTS THEREIN THEN OWNED OR THEREAFTER ACQUIRED BY THE
19 FINANCING ENTITY.

20 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
21 █████ BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
22 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
23 ANY, AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, WITH OR WITHOUT
24 BEING ALSO ADDITIONALLY SECURED AS TO PAYMENT OF THE PRINCIPAL
25 AND INTEREST AND PREMIUMS, IF ANY, BY A MORTGAGE AS PROVIDED IN
26 SUBSECTION (3) OF THIS SECTION OR A TRUST AGREEMENT AS PROVIDED IN
27 SUBSECTION (5) OF THIS SECTION.

1 (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
2 ANY BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
3 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
4 ANY, BY A TRUST AGREEMENT OR INDENTURE BY AND BETWEEN THE
5 FINANCING ENTITY AND A CORPORATE TRUSTEE, WHICH MAY BE ANY
6 TRUST COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY
7 WITHIN OR WITHOUT THE STATE.

8 (6) BONDS ISSUED UNDER THIS SECTION DO NOT CONSTITUTE AN
9 INDEBTEDNESS OF THE STATE OR OF ANY COUNTY, MUNICIPALITY, OR
10 PUBLIC BODY OF THE STATE OTHER THAN THE FINANCING ENTITY ISSUING
11 THE BONDS AND ARE NOT SUBJECT TO [REDACTED] THE CHARTER OF ANY
12 MUNICIPALITY RELATING TO THE AUTHORIZATION, ISSUANCE, OR SALE OF
13 BONDS.

14 (7) BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY
15 A RESOLUTION, INDENTURE, OR OTHER DOCUMENT PURSUANT TO WHICH
16 SUCH OBLIGATIONS ARE ISSUED OF THE FINANCING ENTITY AND MAY BE
17 ISSUED IN ONE OR MORE SERIES AND SHALL BEAR SUCH DATE; BE PAYABLE
18 UPON DEMAND OR MATURE AT SUCH TIME AS MAY BE DETERMINED BY THE
19 FINANCING ENTITY NOT TO EXCEED THIRTY YEARS, EXCEPT AS THE
20 MATURITY MAY BE EXTENDED IN ACCORDANCE WITH SECTION 24-46-406
21 (4) AND IN ACCORDANCE WITH ARTICLE 57 OF TITLE 11; BEAR INTEREST AT
22 A RATE PAYABLE OR COMPOUNDABLE AT INTERVALS DETERMINED BY THE
23 FINANCING ENTITY; BE IN SUCH DENOMINATION; BE IN SUCH FORM, EITHER
24 COUPON OR REGISTERED OR OTHERWISE; CARRY SUCH CONVERSION OR
25 REGISTRATION PRIVILEGES; HAVE SUCH RANK OR PRIORITY; BE EXECUTED
26 IN THE NAME OF THE FINANCING ENTITY IN SUCH MANNER, BE PAYABLE IN
27 SUCH MEDIUM OF PAYMENT; BE PAYABLE AT SUCH PLACE; BE SUBJECT TO

1 SUCH CALLABILITY PROVISIONS OR TERMS OF REDEMPTION, WITH OR
2 WITHOUT PREMIUMS; BE SECURED IN SUCH MANNER; BE OF SUCH
3 DESCRIPTION; CONTAIN OR BE SUBJECT TO SUCH COVENANTS, PROVISIONS,
4 TERMS, CONDITIONS, AND AGREEMENTS, INCLUDING PROVISIONS
5 CONCERNING EVENTS OF DEFAULT; AND HAVE OTHER CHARACTERISTICS
6 THAT MAY BE PROVIDED BY THE RESOLUTION OR BY THE TRUST
7 AGREEMENT, INDENTURE, OR MORTGAGE, IF ANY, ISSUED PURSUANT TO
8 THE RESOLUTION. THE SEAL, OR A FACSIMILE THEREOF, OF THE FINANCING
9 ENTITY SHALL BE AFFIXED, IMPRINTED, ENGRAVED, OR OTHERWISE
10 REPRODUCED UPON EACH OF ITS BONDS ISSUED UNDER THIS SECTION.
11 BONDS ISSUED UNDER THIS SECTION SHALL BE EXECUTED IN THE NAME OF
12 THE FINANCING ENTITY BY THE MANUAL OR FACSIMILE SIGNATURES OF
13 OFFICIALS THAT MAY BE DESIGNATED IN SAID RESOLUTION OR TRUST
14 AGREEMENT, INDENTURE, OR MORTGAGE. COUPONS, IF ANY, ATTACHED TO
15 THE BONDS SHALL BEAR THE FACSIMILE SIGNATURE OF THE OFFICIAL OF
16 THE FINANCING ENTITY THAT MAY BE DESIGNATED AS PROVIDED IN THIS
17 SUBSECTION (7). SAID RESOLUTION OR TRUST AGREEMENT, INDENTURE, OR
18 MORTGAGE MAY PROVIDE FOR THE AUTHENTICATION OF THE PERTINENT
19 BONDS BY THE TRUSTEE.

20 (8) BONDS ISSUED UNDER THIS SECTION MAY BE SOLD BY THE
21 FINANCING ENTITY IN A MANNER AND FOR A PRICE AS THE FINANCING
22 ENTITY, IN ITS DISCRETION, MAY DETERMINE, AT PAR, BELOW PAR, OR
23 ABOVE PAR, AT PRIVATE SALE OR AT PUBLIC SALE AFTER NOTICE IS
24 PUBLISHED PRIOR TO THE SALE IN A NEWSPAPER HAVING GENERAL
25 CIRCULATION IN THE MUNICIPALITY, OR IN ANOTHER MEDIUM OF
26 PUBLICATION AS THE FINANCING ENTITY MAY DEEM APPROPRIATE IN
27 ACCORDANCE WITH SECTION 24-6-402, OR MAY BE EXCHANGED BY THE

1 FINANCING ENTITY FOR OTHER BONDS ISSUED BY IT UNDER THIS SECTION.

2 (9) IF ANY OF THE OFFICIALS OF THE FINANCING ENTITY WHOSE
3 SIGNATURES OR FACSIMILE SIGNATURES APPEAR ON ANY OF ITS BONDS OR
4 COUPONS ISSUED UNDER THIS SECTION CEASE TO BE OFFICIALS AFTER THE
5 AUTHORIZATION THEREOF, BUT BEFORE THE DELIVERY OF THE BONDS, THE
6 SIGNATURES OR FACSIMILE SIGNATURES, AS THE CASE MAY BE, ARE
7 NEVERTHELESS VALID AND SUFFICIENT FOR ALL PURPOSES, THE SAME AS
8 IF THE OFFICIALS HAD REMAINED IN OFFICE UNTIL THE DELIVERY.

9 (10) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY
10 BONDS THAT ARE ISSUED PURSUANT TO THIS SECTION ARE FULLY
11 NEGOTIABLE.

12 (11) IN ANY SUIT, ACTION, OR PROCEEDING INVOLVING THE
13 VALIDITY OR ENFORCEABILITY OF ANY A BOND THAT IS ISSUED UNDER THIS
14 SECTION OR THE SECURITY OF SUCH A BOND, ANY BOND RECITING IN
15 SUBSTANCE THAT IT HAS BEEN ISSUED BY THE FINANCING ENTITY IN
16 CONNECTION WITH A TRANSIT INVESTMENT PROJECT OR ANY ACTIVITY OR
17 OPERATION OF THE FINANCING ENTITY UNDER THIS PART 4 IS
18 CONCLUSIVELY DEEMED TO HAVE BEEN ISSUED FOR SUCH PURPOSES; AND
19 SUCH TRANSIT INVESTMENT PROJECT OR SUCH OPERATION OR ACTIVITY, AS
20 THE CASE MAY BE, IS CONCLUSIVELY DEEMED TO HAVE BEEN INITIATED,
21 PLANNED, LOCATED, UNDERTAKEN, ACCOMPLISHED, AND CARRIED OUT IN
22 ACCORDANCE WITH THIS PART 4. NO LEGAL OR EQUITABLE ACTION
23 BROUGHT WITH RESPECT TO THE VALIDITY OR ENFORCEABILITY OF ANY
24 BOND THAT IS ISSUED UNDER THIS SECTION OR THE SECURITY OF SUCH A
25 BOND SHALL BE COMMENCED MORE THAN THIRTY DAYS AFTER THE
26 AUTHORIZATION OF THE BOND OR BONDS BY THE FINANCING ENTITY.

27 (12) PENDING THE PREPARATION OF ANY DEFINITIVE BONDS UNDER

1 THIS SECTION, A FINANCING ENTITY MAY ISSUE ITS INTERIM CERTIFICATES
2 OR RECEIPTS OR ITS TEMPORARY BONDS, WITH OR WITHOUT COUPONS,
3 EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE LATTER HAVE BEEN
4 EXECUTED AND ARE AVAILABLE FOR DELIVERY.

5 (13) A PERSON RETAINED OR EMPLOYED BY A FINANCING ENTITY
6 AS AN ADVISOR OR A CONSULTANT FOR THE PURPOSE OF RENDERING
7 FINANCIAL ADVICE AND ASSISTANCE MAY PURCHASE OR PARTICIPATE IN
8 THE PURCHASE OR DISTRIBUTION OF ITS BONDS WHEN THE BONDS ARE
9 OFFERED AT PUBLIC OR PRIVATE SALE.

10 (14) NO COMMISSIONER OR OTHER OFFICER OF A FINANCING
11 ENTITY ISSUING BONDS UNDER THIS SECTION AND NO PERSON EXECUTING
12 THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR IS SUBJECT TO ANY
13 PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE
14 OF THE BONDS.

15 (15) NO COMMISSIONER OR OTHER OFFICER OF A TRANSIT
16 INVESTMENT AUTHORITY ISSUING BONDS PURSUANT TO THIS PART 4 AND
17 NO PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS
18 OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON
19 OF THE ISSUANCE OF THE BONDS.

20 (16) BONDS THAT ARE ISSUED PURSUANT TO THIS PART 4 ARE
21 DECLARED TO BE ISSUED FOR AN ESSENTIAL PUBLIC AND GOVERNMENTAL
22 PURPOSE AND, TOGETHER WITH INTEREST THEREON AND INCOME
23 THEREFROM, ARE EXEMPT FROM ALL STATE OF COLORADO TAXES.

24 **SECTION 3.** In Colorado Revised Statutes, **add** 24-35-123 as
25 follows:

26 **24-35-123. Transit investment area - authority of department**
27 **- definitions.**

1 (1) IN ADDITION TO THE OTHER FUNCTIONS AND POWERS OF THE
2 DEPARTMENT AND THE EXECUTIVE DIRECTOR PURSUANT TO THIS PART 1,
3 THE DEPARTMENT SHALL:

4 (a) ESTABLISH AND DETERMINE THE BASE YEAR REVENUE FOR
5 EACH TRANSIT INVESTMENT AREA;

6 (b) COLLECT, ACCOUNT FOR, AND REMIT TO THE APPLICABLE
7 FINANCING ENTITY THE RELEVANT AMOUNT OF STATE SALES TAX
8 INCREMENT REVENUE GENERATED WITHIN EACH TRANSIT INVESTMENT
9 AREA;

10 (c) SHARE DATA AS NECESSARY WITH THE COLORADO OFFICE OF
11 ECONOMIC DEVELOPMENT IN CONNECTION WITH THE "TRANSIT
12 INVESTMENT AREA ACT", PART 4 OF ARTICLE 46 OF THIS TITLE 24; AND

13 (d) OTHERWISE PERFORM THE FUNCTIONS REQUIRED OF THE
14 DEPARTMENT IN THE WRITTEN NOTICE PROVIDED TO THE EXECUTIVE
15 DIRECTOR IN CONNECTION WITH THE ESTABLISHMENT OF A FINANCING
16 ENTITY OR TRANSIT INVESTMENT AREA.

17 (2) THE EXECUTIVE DIRECTOR HAS THE AUTHORITY TO:

18 (a) CREATE FORMS AND ADOPT RULES AS NECESSARY OR
19 CONVENIENT TO IMPLEMENT THE DEPARTMENT'S RESPONSIBILITIES WITH
20 RESPECT TO THE DETERMINATION OF BASE YEAR REVENUE, COLLECTION
21 AND DISBURSEMENT OF STATE SALES TAX INCREMENT REVENUE, AND
22 OTHER FUNCTIONS OF THE DEPARTMENT PURSUANT TO PART 4 OF ARTICLE
23 46 OF THIS TITLE 24;

24 (b) ENTER INTO CONTRACTS WITH FINANCING ENTITIES, IN THE
25 MANNER PROVIDED FOR IN SECTION 24-35-110, REGARDING THE
26 PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS IN IMPLEMENTING PART
27 4 OF ARTICLE 46 OF THIS TITLE 24; AND

1 (c) RETAIN ANNUALLY AN AMOUNT OF THE STATE SALES TAX
2 INCREMENT REVENUE ESTABLISHED BY THE DEPARTMENT AS NECESSARY
3 TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES
4 INCURRED IN PERFORMING THE COLLECTION AND DISBURSEMENT
5 FUNCTIONS ESTABLISHED IN PART 4 OF ARTICLE 46 OF THIS TITLE 24.

6 (3) EXCEPT FOR THE AMOUNT RETAINED BY THE DEPARTMENT
7 PURSUANT TO SECTION 24-46-406 (1), ALL STATE SALES TAX INCREMENT
8 REVENUE COLLECTED BY THE DEPARTMENT ON BEHALF OF A FINANCING
9 ENTITY IS FOR ALL PURPOSES ASSIGNED TO, THE PROPERTY OF, AND THE
10 REVENUE OF THE APPLICABLE FINANCING ENTITY AND IS NOT TO BE
11 CONSTRUED OR TREATED FOR ANY PURPOSE AS REVENUE OR PROPERTY OF
12 THE STATE.

13 (4) IN COLLECTING AND DISBURSING STATE SALES TAX INCREMENT
14 REVENUE AS PROVIDED IN THIS SECTION AND OTHERWISE PERFORMING ITS
15 RESPONSIBILITIES PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE 24,
16 THE DEPARTMENT SHALL ACT SOLELY AS A COLLECTING AGENT FOR A
17 FINANCING ENTITY AND SHALL SEGREGATE IN A SEPARATE FUND ANY
18 PORTION OF STATE SALES TAX INCREMENT REVENUE THAT IS DEDICATED
19 TO THE FINANCING ENTITY BUT WILL NOT BE REMITTED TO THE FINANCING
20 ENTITY IN THE IMMEDIATE FUTURE.

21 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "BASE YEAR REVENUE" HAS THE MEANING SET FORTH IN
24 SECTION 24-46-402 (2).

25 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
26 CREATED IN SECTION 24-35-101.

27 (c) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF

1 THE DEPARTMENT.

2 (d) "FINANCING ENTITY" HAS THE MEANING SET FORTH IN SECTION
3 24-46-402 (11).

4 (e) "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
5 SET FORTH IN SECTION 24-46-402 (17).

6 (f) "TRANSIT INVESTMENT AREA" HAS THE MEANING SET FORTH IN
7 SECTION 24-46-402 (20).

8 **SECTION 4.** In Colorado Revised Statutes, **add** 24-48.5-136 as
9 follows:

10 **24-48.5-136. Transit and housing investment zones map -**
11 **transit and housing investment zone criteria - definitions.**

12 (1) ON OR BEFORE OCTOBER 30, 2026, THE COLORADO OFFICE OF
13 ECONOMIC DEVELOPMENT, IN CONSULTATION WITH THE DEPARTMENT OF
14 LOCAL AFFAIRS AND THE DEPARTMENT OF TRANSPORTATION, SHALL
15 PUBLISH A TRANSIT AND HOUSING INVESTMENT ZONE MAP BASED ON THE
16 CRITERIA FOR IDENTIFYING TRANSIT AND HOUSING INVESTMENT ZONES
17 ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.

18 (2) THE OFFICE SHALL DESIGNATE TRANSIT AND HOUSING
19 INVESTMENT ZONES, FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION,
20 AND SHALL DO SO BASED ON THE LOCATION OF TRANSPORTATION
21 FACILITIES AS IDENTIFIED IN A PUBLISHED TRANSIT PLAN AND MAY, IN
22 CONSULTATION WITH LOCAL GOVERNMENTS AND TRANSIT AGENCIES, USE
23 PREEXISTING ROUTES, MAPS, AND SCHEDULES TO INFORM THE OFFICE'S
24 DESIGNATION OF TRANSIT AND HOUSING INVESTMENT ZONES.

25 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
26 REQUIRES:

27 (a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC

1 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

2 (b) "PASSENGER RAIL STATION" HAS THE MEANING SET FORTH IN
3 SECTION 32-22-102 (8).

4 (c) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
5 WITHIN TWO MILES OF A TRANSPORTATION FACILITY AS IDENTIFIED BY THE
6 OFFICE IN THE TRANSIT AND HOUSING INVESTMENT ZONES MAP CREATED
7 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

8 (d) "TRANSIT STATION" HAS THE MEANING SET FORTH IN SECTION
9 24-46-402 (23).

10 (e) "TRANSPORTATION FACILITY" MEANS A TRANSIT STATION OR
11 PASSENGER RAIL STATION.

12 **SECTION 5.** In Colorado Revised Statutes, 29-1-102, **amend**
13 (13) as follows:

14 **29-1-102. Definitions.**

15 As used in this part 1, unless the context otherwise requires:

16 (13) "Local government" means any authority, county,
17 municipality, city and county, district, or other political subdivision of the
18 state of Colorado; any institution, department, agency, or authority of any
19 of the foregoing; and any other entity, organization, or corporation
20 formed by intergovernmental agreement or other contract between or
21 among any of the foregoing. The office of the county public trustee shall
22 be deemed an agency of the county for the purposes of this part 1. "Local
23 government" does not include the Colorado educational and cultural
24 facilities authority, the university of Colorado hospital authority,
25 collegeinvest, the Colorado health facilities authority, the Colorado
26 housing and finance authority, the Colorado agricultural development
27 authority, the Colorado sheep and wool authority, the Colorado beef

1 council authority, the Colorado horse development authority, the building
2 urgent infrastructure and leveraging dollars authority, the middle-income
3 housing authority, the fire and police pension association, A TRANSIT
4 INVESTMENT AUTHORITY, any public entity insurance or investment pool
5 formed pursuant to state law, any county or municipal housing authority,
6 any association of political subdivisions formed pursuant to section
7 29-1-401, or any home rule city or town, home rule city and county, cities
8 and towns operating under a territorial charter, school district, or local
9 college district.

10 **SECTION 6.** In Colorado Revised Statutes, **add** 30-31-116.5 as
11 follows:

12 **30-31-116.5. Transit investment areas - definition.**

13 (1) A COUNTY REVITALIZATION AUTHORITY THAT IS DESIGNATED
14 AS A FINANCING ENTITY, PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24,
15 HAS ALL THE POWERS NECESSARY OR CONVENIENT TO CARRY OUT PART 4
16 OF ARTICLE 46 OF TITLE 24, INCLUDING THE POWER TO RECEIVE STATE
17 SALES TAX INCREMENT REVENUE GENERATED WITHIN AN APPROVED
18 TRANSIT INVESTMENT AREA, AS DEFINED IN SECTION 24-46-402 (20), AND
19 TO DISBURSE AND OTHERWISE USE THE REVENUE FOR ALL LAWFUL
20 PURPOSES, INCLUDING FINANCING ELIGIBLE COSTS AND THE DESIGN,
21 CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELIGIBLE
22 IMPROVEMENTS, AS SUCH TERMS ARE DEFINED IN SECTION 24-46-402 OR
23 OTHERWISE INCORPORATED INTO THE COLORADO ECONOMIC
24 DEVELOPMENT COMMISSION'S CONDITIONS OF APPROVAL.

25 (2) NOTWITHSTANDING SECTION 30-31-109 (8), AUTHORIZATION
26 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART
27 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO

1 THE PLAN, AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY
2 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF
3 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF
4 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF THE COUNTY
5 THAT HAS ESTABLISHED THE AUTHORITY.

6 (3) A COUNTY REVITALIZATION AUTHORITY THAT RECEIVES STATE
7 SALES TAX INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION
8 AS A FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24,
9 OR PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH FINANCING
10 ENTITY, SHALL NOT USE THE STATE SALES TAX INCREMENT REVENUE TO
11 ACQUIRE PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

12 (4) NOTHING IN THIS SECTION OBIATES OR OVERRIDES THE
13 REQUIREMENTS FOR THE AUTHORIZATION OF A NEW COUNTY
14 REVITALIZATION AUTHORITY PURSUANT TO THIS ARTICLE 31.

15 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
16 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
17 SET FORTH IN SECTION 24-46-402 (17).

18 **SECTION 7.** In Colorado Revised Statutes, **add** 31-25-117 as
19 follows:

20 **31-25-117. Transit investment areas - definition.**

21 (1) AN URBAN RENEWAL AUTHORITY THAT IS DESIGNATED AS A
22 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24 HAS
23 ALL OF THE POWERS NECESSARY OR CONVENIENT TO CARRY OUT PART 4 OF
24 ARTICLE 46 OF TITLE 24, INCLUDING THE POWERS TO RECEIVE STATE SALES
25 TAX INCREMENT REVENUE GENERATED WITHIN AN APPROVED TRANSIT
26 INVESTMENT AREA, AS DEFINED IN SECTION 24-46-402 (20), AND DISBURSE
27 AND OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES,

1 INCLUDING FINANCING OF ELIGIBLE COSTS AND THE DESIGN,
2 CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELIGIBLE
3 IMPROVEMENTS, AS SUCH TERMS ARE DEFINED IN SECTION 24-46-402, OR
4 OTHERWISE INCORPORATED INTO THE COLORADO ECONOMIC
5 DEVELOPMENT COMMISSION'S CONDITIONS OF APPROVAL.

6 (2) NOTWITHSTANDING SECTION 31-25-107 (7), AUTHORIZATION
7 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART
8 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO
9 THE PLAN AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY
10 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF
11 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF
12 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF A
13 MUNICIPALITY THAT HAS ESTABLISHED THE AUTHORITY PURSUANT TO
14 SECTION 31-25-104 (1).

15 (3) AN URBAN RENEWAL AUTHORITY THAT RECEIVES STATE SALES
16 TAX INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION AS A
17 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24, OR
18 PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH FINANCING
19 ENTITY, SHALL NOT USE THE STATE SALES TAX INCREMENT REVENUE TO
20 ACQUIRE PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

21 (4) NOTHING IN THIS SECTION OBTVIATES OR OVERRIDES THE
22 REQUIREMENTS FOR THE AUTHORIZATION OF A NEW URBAN RENEWAL
23 AUTHORITY UNDER THIS PART 1.

24 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
25 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
26 SET FORTH IN SECTION 24-46-402 (17).

27 **SECTION 8.** In Colorado Revised Statutes, **add** 32-1-1010 as

1 follows:

2 **32-1-1010. Transit investment areas - definition.**

3 (1) IN ADDITION TO THE POWERS SPECIFIED IN THIS PART 10, AND
4 NOTWITHSTANDING ANY LIMITATION ON THE POWERS OF A METROPOLITAN
5 DISTRICT OTHERWISE SPECIFIED IN THIS PART 10 OR IN THE METROPOLITAN
6 DISTRICT'S SERVICE PLAN, ANY METROPOLITAN DISTRICT DESIGNATED AS
7 AN APPROVED FINANCING ENTITY, PURSUANT TO PART 4 OF ARTICLE 46 OF
8 TITLE 24, HAS ALL THE POWERS NECESSARY OR CONVENIENT TO CARRY
9 OUT PART 4 OF ARTICLE 46 OF TITLE 24, INCLUDING THE POWER TO
10 RECEIVE STATE SALES TAX INCREMENT REVENUE AND TO DISBURSE AND
11 OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES PURSUANT TO
12 PART 4 OF ARTICLE 4 OF TITLE 24. LAWFUL PURPOSES INCLUDE THE
13 FINANCING OF ELIGIBLE COSTS AND THE DESIGN, CONSTRUCTION,
14 MAINTENANCE, AND OPERATION OF ELIGIBLE IMPROVEMENTS AS DEFINED
15 IN SECTION 24-46-402 (10) OR OTHERWISE INCORPORATED INTO THE
16 COLORADO ECONOMIC DEVELOPMENT COMMISSION'S CONDITIONS OF
17 APPROVAL PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24.

18 (2) NOTWITHSTANDING ANY PROVISION OF SECTION 32-1-207 OR
19 OF THE METROPOLITAN DISTRICT'S SERVICE PLAN, AUTHORIZATION TO
20 RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART 4 OF
21 ARTICLE 46 OF TITLE 24, IS NOT CONSIDERED A SUBSTANTIAL
22 MODIFICATION TO THE PLAN AND CORRESPONDING CHANGES TO THE PLAN
23 MAY BE MADE BY THE GOVERNING BODY TO INCORPORATE THE USE OF
24 STATE SALES TAX INCREMENT REVENUE OF THE METROPOLITAN DISTRICT
25 WITHOUT THE REQUIREMENT OF PETITION TO OR APPROVAL BY THE BOARD
26 OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE
27 MUNICIPALITY, AS APPLICABLE.

1 (3) A METROPOLITAN DISTRICT RECEIVING STATE SALES TAX
2 INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION AS A
3 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24, OR
4 PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH ENTITY, SHALL
5 NOT USE THE STATE SALES TAX INCREMENT REVENUE TO ACQUIRE
6 PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

7 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
9 SET FORTH IN SECTION 24-46-402 (17).

10 **SECTION 9.** In Colorado Revised Statutes, 39-21-113, **add** (40)
11 as follows:

12 **39-21-113. Reports and returns - rule - repeal.**

13 (40)(a) NOTWITHSTANDING THE CONFIDENTIALITY REQUIREMENTS
14 IN THIS SECTION:

15 (I) THE EXECUTIVE DIRECTOR MAY PROVIDE THE COLORADO
16 OFFICE OF ECONOMIC DEVELOPMENT WITH ANY INFORMATION OBTAINED
17 PURSUANT TO THIS SECTION IN RELATION TO PART 4 OF ARTICLE 46 OF
18 TITLE 24; AND

19 (II) BOTH THE EXECUTIVE DIRECTOR AND THE COLORADO OFFICE
20 OF ECONOMIC DEVELOPMENT MAY PROVIDE INFORMATION OBTAINED
21 PURSUANT TO THIS SECTION IN RELATION TO PART 4 OF ARTICLE 46 OF
22 TITLE 24 TO A THIRD-PARTY ANALYST.

23 (b) ANY INFORMATION PROVIDED TO THE COLORADO OFFICE OF
24 ECONOMIC DEVELOPMENT OR A THIRD-PARTY ANALYST PURSUANT TO THIS
25 SUBSECTION (40) IS CONFIDENTIAL, AND ALL EMPLOYEES OF THE
26 COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND THE THIRD-PARTY
27 ANALYST ARE SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4)

1 OF THIS SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS
2 SECTION.

3 **SECTION 10.** In Colorado Revised Statutes, **add** part 57 to
4 article 22 of title 39 as follows:

5 **PART 57**
6 **COLORADO AFFORDABLE HOUSING IN**
7 **TRANSIT AND HOUSING INVESTMENT ZONES**
8 **TAX CREDIT**

9 **39-22-5701. Tax preference performance statement - report.**

10 (1) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
11 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
12 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
13 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
14 DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS
15 SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS BY
16 SUPPORTING THE DEVELOPMENT OF AFFORDABLE HOUSING WITHIN
17 TRANSIT AND HOUSING INVESTMENT ZONES.

18 (2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
19 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
20 SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE REPORT
21 DESCRIBED IN SUBSECTION (3) OF THIS SECTION.

22 (3) FOR EACH ALLOCATION YEAR, THE AUTHORITY SHALL, BY
23 DECEMBER 31 OF THAT YEAR, PROVIDE A WRITTEN REPORT TO THE
24 GENERAL ASSEMBLY AND MAKE THE REPORT AVAILABLE TO THE PUBLIC.
25 WITH RESPECT TO TAX CREDITS ALLOCATED PURSUANT TO THIS PART 57,
26 THE REPORT MUST:

27 (a) SPECIFY THE TOTAL NUMBER OF QUALIFIED DEVELOPMENTS

1 AND UNITS SUPPORTED BY EACH DEVELOPMENT IN CONNECTION WITH THE
2 CREDIT;

3 (b) DESCRIBE EACH QUALIFIED DEVELOPMENT IN CONNECTION
4 WITH WHICH THE AUTHORITY ISSUED CREDITS, INCLUDING IN THAT
5 DESCRIPTION THE GEOGRAPHIC LOCATION OF THE DEVELOPMENT, THE
6 HOUSEHOLD TYPE AND ANY SPECIFIC DEMOGRAPHIC INFORMATION
7 AVAILABLE ABOUT RESIDENTS INTENDED TO BE SERVED BY THE
8 DEVELOPMENT, THE INCOME LEVELS INTENDED TO BE SERVED BY THE
9 DEVELOPMENT, AND THE RENTS OR SET-ASIDES AUTHORIZED FOR EACH
10 DEVELOPMENT; AND

11 (c) PROVIDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION
12 THAT DEMONSTRATES HOW THE QUALIFIED DEVELOPMENTS SUPPORTED BY
13 CREDITS ARE ADDRESSING THE NEED FOR AFFORDABLE HOUSING WITHIN
14 THE COMMUNITIES THEY ARE INTENDED TO SERVE AS WELL AS
15 INFORMATION ABOUT ANY REMAINING DISPARITIES IN THE AFFORDABILITY
16 OF HOUSING WITHIN THOSE COMMUNITIES.

17 **39-22-5702. Definitions.**

18 AS USED IN THIS PART 57, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (1) "ALLOCATION CERTIFICATE" MEANS A STATEMENT ISSUED BY
21 THE AUTHORITY CERTIFYING THAT A GIVEN DEVELOPMENT QUALIFIES FOR
22 THE CREDIT AND SPECIFYING THE AMOUNT OF THE CREDIT ALLOWED.

23 (2) "ALLOCATION PLAN" MEANS AN ALLOCATION PLAN ADOPTED
24 BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND
25 PREFERENCES FOR ALLOCATING THE TAX CREDIT ALLOWED PURSUANT TO
26 THIS PART 57.

27 (3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE

1 AUTHORITY CREATED IN SECTION 29-4-704.

2 (4) "COMPLIANCE PERIOD" MEANS THE PERIOD OF FIFTEEN YEARS
3 BEGINNING WITH THE FIRST INCOME TAX YEAR OF A CREDIT PERIOD.

4 (5) "CREDIT" MEANS THE COLORADO AFFORDABLE HOUSING IN
5 TRANSIT AND HOUSING INVESTMENT ZONES TAX CREDIT ALLOWED
6 PURSUANT TO THIS PART 57.

7 (6) "CREDIT PERIOD" MEANS THE PERIOD OF SIX INCOME TAX
8 YEARS BEGINNING WITH THE INCOME TAX YEAR IN WHICH A QUALIFIED
9 DEVELOPMENT IS PLACED IN SERVICE. IF A QUALIFIED DEVELOPMENT IS
10 COMPRISED OF MORE THAN ONE BUILDING, THE DEVELOPMENT IS DEEMED
11 TO BE PLACED IN SERVICE IN THE INCOME TAX YEAR DURING WHICH THE
12 LAST BUILDING OF THE QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

13 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

14 (8) "FEDERAL TAX CREDIT" MEANS THE FEDERAL LOW-INCOME
15 HOUSING TAX CREDIT PROVIDED BY SECTION 42 OF THE INTERNAL
16 REVENUE CODE.

17 (9) "QUALIFIED BASIS" MEANS THE QUALIFIED BASIS OF THE
18 DEVELOPMENT AS DETERMINED PURSUANT TO SECTION 42 OF THE
19 INTERNAL REVENUE CODE.

20 (10) "QUALIFIED DEVELOPMENT" MEANS A HOUSING
21 DEVELOPMENT THAT IS LOCATED IN A TRANSIT AND HOUSING INVESTMENT
22 ZONE WITHIN THE STATE AND IS DETERMINED BY THE AUTHORITY TO MEET
23 THE CRITERIA ESTABLISHED IN THE ALLOCATION PLAN, INCLUDING
24 PROVIDING THE REQUIRED NUMBER OF AFFORDABLE HOUSING UNITS.

25 (11) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, A PERSON, A
26 FIRM, A CORPORATION, OR ANY OTHER ENTITY THAT OWNS AN INTEREST,
27 DIRECT OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND IS SUBJECT TO

1 THE TAXES IMPOSED BY THIS ARTICLE 22.

2 (12) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
3 DESIGNATED BY THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT IN
4 THE TRANSIT AND HOUSING INVESTMENT ZONE MAP PURSUANT TO SECTION
5 24-48.5-136.

6 (13) "TRANSFEREE" MEANS A TAXPAYER SUBJECT TO THE TAXES
7 IMPOSED BY THIS ARTICLE 22 THAT ACQUIRES CREDITS FROM A
8 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO
9 SECTION 39-22-5703 (5).

10 **39-22-5703. Credit against tax - affordable housing located in**
11 **a transit and housing investment zone.**

12 (1) FOR INCOME TAX YEARS DURING THE CREDIT PERIOD, THERE IS
13 ALLOWED TO ANY QUALIFIED TAXPAYER A CREDIT WITH RESPECT TO THE
14 INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN THE AMOUNT DETERMINED
15 BY THE AUTHORITY PURSUANT TO THIS PART 57.

16 (2) (a) DURING EACH CALENDAR YEAR OF THE PERIOD BEGINNING
17 ON JANUARY 1, 2027, AND ENDING ON DECEMBER 31, 2033, THE
18 AUTHORITY MAY ALLOCATE A CREDIT, THE FULL AMOUNT OF WHICH MAY
19 BE CLAIMED AGAINST THE TAXES IMPOSED BY THIS ARTICLE 22, FOR EACH
20 INCOME TAX YEAR OF THE SIX-YEAR CREDIT PERIOD. DURING EACH
21 CALENDAR YEAR OF THE PERIOD BEGINNING ON JANUARY 1, 2027, AND
22 ENDING ON DECEMBER 31, 2033, THE AGGREGATE AMOUNT OF THE
23 CREDITS ALLOCATED BY THE AUTHORITY SHALL NOT EXCEED EIGHT
24 MILLION THREE HUNDRED THIRTY-THREE THOUSAND THREE HUNDRED
25 THIRTY-THREE DOLLARS.

26 (b) THE AUTHORITY MAY ALSO ALLOCATE ANY UNALLOCATED
27 CREDITS FROM THE IMMEDIATELY PRECEDING CALENDAR YEAR SO LONG

1 AS UNALLOCATED CREDITS DO NOT EXCEED MORE THAN HALF OF THE
2 ANNUAL DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION,
3 AND THESE UNALLOCATED CREDITS ARE NOT INCLUDED IN THE ANNUAL
4 DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION.

5 (c) THE AGGREGATE AMOUNT OF CREDITS ALLOCATED BY THE
6 AUTHORITY IN EACH OF THE 2027 THROUGH 2033 CALENDAR YEARS MUST
7 NOT EXCEED THE AGGREGATE AMOUNT OF ANY CREDIT RECAPTURED OR
8 OTHERWISE RETURNED TO THE AUTHORITY IN THE CALENDAR YEAR.

9 (3) THE AUTHORITY MAY ALLOCATE CREDITS TO AN OWNER OF A
10 QUALIFIED DEVELOPMENT BY ISSUING TO THE OWNER AN ALLOCATION
11 CERTIFICATE. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH THE
12 ALLOCATION CERTIFICATE IS ISSUED. THE CREDIT MUST BE IN AN AMOUNT
13 DETERMINED BY THE AUTHORITY, SUBJECT TO THE FOLLOWING
14 GUIDELINES:

15 (a) THE CREDIT MUST BE NECESSARY FOR THE FINANCIAL
16 FEASIBILITY OF THE DEVELOPMENT; AND

17 (b) THE AGGREGATE SUM OF CREDITS ALLOCATED ANNUALLY
18 MUST NOT EXCEED THE LIMITS SET FORTH IN SUBSECTION (2) OF THIS
19 SECTION.

20 (4) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN
21 ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,
22 S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY
23 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,
24 OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH
25 PERSONS REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A
26 PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL
27 CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO

1 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER.
2 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER
3 ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED
4 TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX RETURN
5 CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO
6 ANY RESTRICTIONS SET FORTH IN THIS PART 57.

7 (5) (a) THE AUTHORITY MAY ALLOCATE CREDITS TO A
8 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY, INCLUDING THE
9 MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104,
10 WITH RESPECT TO A QUALIFIED DEVELOPMENT THAT IS OWNED BY SUCH
11 ENTITY.

12 (b) (I) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY MAY
13 TRANSFER CREDITS THAT THE AUTHORITY HAS ALLOCATED TO IT
14 PURSUANT TO THIS SUBSECTION (5) TO A TRANSFEREE.

15 (II) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY THAT
16 TRANSFERS A CREDIT PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION
17 SHALL INVEST IN THE RELEVANT QUALIFIED DEVELOPMENT ANY
18 COMPENSATION RECEIVED IN CONNECTION WITH THE TRANSFER MADE
19 PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION AND SHALL NOTIFY
20 THE DEPARTMENT OF THE IDENTITY OF THE TRANSFEREE.

21 (III) A TRANSFEREE TO WHICH A CREDIT IS TRANSFERRED BY A
22 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO THIS
23 SUBSECTION (5)(b) IS ENTITLED TO CLAIM THE CREDIT IN THE SAME
24 MANNER AND SUBJECT TO THE SAME CONDITIONS AND ALLOCATION
25 RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE
26 AUTHORITY HAS ALLOCATED A CREDIT PURSUANT TO SUBSECTION (3) OF
27 THIS SECTION.

1 (c) (I) CREDITS THAT THE AUTHORITY HAS ALLOCATED TO A
2 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO
3 SUBSECTION (5)(a) OF THIS SECTION OR A CREDIT THAT A GOVERNMENTAL
4 OR QUASI-GOVERNMENTAL ENTITY TRANSFERS PURSUANT TO SUBSECTION
5 (5)(b) OF THIS SECTION ARE SUBJECT TO RECAPTURE IF, AS OF THE LAST
6 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE
7 AMOUNT OF THE QUALIFIED BASIS OF THE GOVERNMENTAL OR
8 QUASI-GOVERNMENTAL ENTITY IS LESS THAN THE QUALIFIED BASIS OF THE
9 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY AS OF THE LAST DAY
10 OF THE PRIOR TAXABLE YEAR. ___

11 (II) IF A CREDIT TRANSFERRED BY A GOVERNMENTAL OR
12 QUASI-GOVERNMENTAL ENTITY IS RECAPTURED PURSUANT TO SUBSECTION
13 (5)(c)(I) OF THIS SECTION, THE GOVERNMENT OR QUASI-GOVERNMENTAL
14 ENTITY SHALL NOTIFY THE DEPARTMENT OF THE IDENTITY OF THE
15 TRANSFeree TO WHICH IT TRANSFERRED THE CREDIT AND ___ THE
16 TRANSFeree MUST INCREASE THE TRANSFeree'S STATE INCOME TAX
17 LIABILITY PURSUANT TO SECTION 39-22-5704 IN THE SAME MANNER AND
18 TO THE SAME EXTENT AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER
19 QUALIFIED TAXPAYER OF AN OWNER ALLOCATED A CREDIT PURSUANT TO
20 SUBSECTION (4) OF THIS SECTION. ___

21 (6) NO CREDIT SHALL BE ALLOCATED PURSUANT TO THIS PART 57
22 UNLESS THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED
23 DEED RESTRICTION REQUIRING THE DEVELOPMENT TO BE MAINTAINED AND
24 OPERATED AS A QUALIFIED DEVELOPMENT, AND IS IN ACCORDANCE WITH
25 THE ACCESSIBILITY AND ADAPTABILITY REQUIREMENTS OF THE FEDERAL
26 TAX CREDITS AND TITLE VIII OF THE "CIVIL RIGHTS ACT OF 1968", AS
27 AMENDED BY THE "FAIR HOUSING AMENDMENTS ACT OF 1988", 42 U.S.C.

1 SEC. 3601 ET SEQ., FOR A PERIOD OF FIFTEEN INCOME TAX YEARS, OR A
2 LONGER PERIOD AS MAY BE AGREED TO BETWEEN THE AUTHORITY AND
3 THE OWNER, BEGINNING WITH THE FIRST INCOME TAX YEAR OF THE CREDIT
4 PERIOD UNLESS CORRECTED WITHIN THE TIME THAT IS APPLICABLE TO
5 DEVELOPMENTS RECEIVING FEDERAL TAX CREDITS PURSUANT TO SECTION
6 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS APPLICABLE TO THE
7 COVENANT DESCRIBED IN THIS SUBSECTION (6).

8 (7) THE ALLOCATED CREDIT AMOUNT MAY BE TAKEN AGAINST THE
9 TAXES IMPOSED BY THIS ARTICLE 22 FOR EACH INCOME TAX YEAR OF THE
10 CREDIT PERIOD AS SET FORTH IN SUBSECTION (2) OF THIS SECTION. ANY
11 AMOUNT OF CREDIT THAT EXCEEDS THE TAX DUE FOR AN INCOME TAX
12 YEAR MAY BE CARRIED FORWARD AS A TAX CREDIT AGAINST THE INCOME
13 TAX LIABILITY FOR THE THREE SUBSEQUENT TAX YEARS AND MUST BE
14 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY AMOUNT OF THE
15 CREDIT THAT IS NOT USED MUST NOT BE REFUNDED TO THE TAXPAYER.

16 (8) UNLESS OTHERWISE PROVIDED IN THIS PART 57 OR THE
17 CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL
18 DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN
19 ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN
20 THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER
21 THE CREDIT ALLOWED PURSUANT TO THIS PART 57 CONSISTENTLY WITH
22 THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE
23 EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS
24 ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS.
25 NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND
26 STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED
27 MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL

1 FEASIBILITY OF A QUALIFIED DEVELOPMENT.

2 **39-22-5704. Recapture.**

3 (1) AS OF THE LAST DAY OF ANY INCOME TAX YEAR DURING THE
4 COMPLIANCE PERIOD, IF THE AMOUNT OF THE QUALIFIED BASIS OF A
5 QUALIFIED DEVELOPMENT WITH RESPECT TO A QUALIFIED TAXPAYER IS
6 LESS THAN THE AMOUNT OF THE QUALIFIED BASIS AS OF THE LAST DAY OF
7 THE PRIOR INCOME TAX YEAR, THEN THE AMOUNT OF THE QUALIFIED
8 TAXPAYER'S STATE INCOME TAX LIABILITY FOR THAT TAXABLE YEAR MUST
9 BE INCREASED BY THE CREDIT RECAPTURE AMOUNT.

10 (2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE
11 CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE
12 DECREASE IN THE CREDIT ALLOWED TO THE TAXPAYER PURSUANT TO THIS
13 PART 57 FOR ALL PRIOR INCOME TAX YEARS THAT WOULD HAVE RESULTED
14 IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF
15 THIS PART 57 WAS NOT ALLOWED FOR ALL PRIOR INCOME TAX YEARS WITH
16 RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN
17 SUBSECTION (1) OF THIS SECTION.

18 (3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE
19 ACCELERATED PORTION OF THE CREDIT FOR THE PRIOR INCOME TAX YEARS
20 WITH RESPECT TO ANY AMOUNT OF QUALIFIED BASIS IS THE DIFFERENCE
21 BETWEEN:

22 (a) THE AGGREGATE AMOUNT OF THE CREDIT ALLOWED PURSUANT
23 TO THIS PART 57, NOTWITHSTANDING THIS SUBSECTION (3), FOR THE YEARS
24 WITH RESPECT TO THE QUALIFIED BASIS; AND

25 (b) THE AGGREGATE AMOUNT OF THE CREDIT THAT WOULD BE
26 ALLOWED PURSUANT TO THIS PART 57 FOR THE YEARS WITH RESPECT TO
27 THE QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN

1 ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE
2 PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

3 (4) IN THE EVENT THAT RECAPTURE OF ANY CREDIT IS REQUIRED
4 IN ANY TAX YEAR, THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE
5 DEPARTMENT SHALL INCLUDE THE PROPORTION OF CREDIT REQUIRED TO
6 BE RECAPTURED, THE IDENTITY OF EACH QUALIFIED TAXPAYER SUBJECT TO
7 THE RECAPTURE, AND THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED
8 TO THE QUALIFIED TAXPAYER.

9 (5) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, CREDITS
10 ISSUED PURSUANT TO THIS PART 57 MUST NOT BE RECAPTURED IF A
11 QUALIFIED DEVELOPMENT, AFTER THE INITIAL AWARD OF CREDITS, CEASES
12 BEING LOCATED IN A TRANSIT AND HOUSING INVESTMENT ZONE.

13 **39-22-5705. Filing requirements.**

14 AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH A CREDIT HAS
15 BEEN ALLOCATED AND EACH QUALIFIED TAXPAYER TO WHICH THE OWNER
16 HAS ALLOCATED A PORTION OF SAID CREDIT, IF ANY, SHALL FILE WITH
17 THEIR STATE INCOME TAX RETURN A COPY OF THE ALLOCATION
18 CERTIFICATE ISSUED BY THE AUTHORITY WITH RESPECT TO THE
19 DEVELOPMENT AND A COPY OF THE OWNER'S CERTIFICATION TO THE
20 DEPARTMENT AS TO THE ALLOCATION OF THE CREDIT AMONG THE
21 QUALIFIED TAXPAYERS HAVING OWNERSHIP INTERESTS IN THE
22 DEVELOPMENT.

23 **39-22-5706. Parallel credits - insurance premium taxes -**
24 **definition.**

25 (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE
26 PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128
27 AND THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND WHO

1 IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART 57
2 MAY CLAIM THE CREDIT AND CARRY THE CREDIT FORWARD AGAINST THE
3 INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED TAX
4 PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE SAME
5 EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR CARRY
6 FORWARD THE CREDIT OR REFUND AGAINST INCOME TAX. ALL OTHER
7 PROVISIONS OF THIS PART 57 WITH RESPECT TO THE CREDIT, INCLUDING
8 THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT AND THE
9 YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A CREDIT
10 CLAIMED PURSUANT TO THIS SECTION.

11 (2) FOR PURPOSES OF ADMINISTERING THIS SECTION, ANY
12 REFERENCE IN THIS ARTICLE 22 TO "INCOME TAX YEAR" MEANS CALENDAR
13 YEAR.

14 **39-22-5707. Compliance monitoring.**

15 THE AUTHORITY, IN CONSULTATION WITH THE DEPARTMENT, SHALL
16 MONITOR AND OVERSEE COMPLIANCE WITH THIS PART 57 AND SHALL
17 REPORT SPECIFIC OCCURRENCES OF NONCOMPLIANCE TO THE
18 DEPARTMENT.

19 **39-22-5708. Repeal.**

20 THIS PART 57 IS REPEALED, EFFECTIVE DECEMBER 31, 2063.

21 **SECTION 11.** In Colorado Revised Statutes, 39-26-901, **amend**
22 (4)(b) and (4)(c); and **add** (4)(d) as follows:

23 **39-26-901. Temporary adjustment of rates of state sales and**
24 **use taxes - refund of excess state revenues - legislative declaration -**
25 **definition - repeal.**

26 (4) Any temporary state sales and use tax rate reduction pursuant
27 to subsection (1) of this section does not affect the calculation of the

1 amount of:

2 (b) The state sales tax increment revenue for regional tourism
3 zones in accordance with part 3 of article 46 of title 24; ~~or~~

4 (c) The aviation fund created in section 43-10-109; OR

5 (d) THE STATE SALES TAX INCREMENT REVENUE FOR TRANSIT AND
6 HOUSING INVESTMENT AREAS IN ACCORDANCE WITH PART 4 OF ARTICLE 46
7 OF TITLE 24.

8 **SECTION 12. Appropriation.** For the 2026-27 state fiscal year,
9 \$213,349 is appropriated to the office of the governor for use by
10 economic development programs. This appropriation consists of
11 \$190,849 from the general fund and \$22,500 from the transit investment
12 zones cash fund created in section 24-46-403 (6)(a), C.R.S., and is based
13 on an assumption that the office will require an additional 1.0 FTE. To
14 implement this act, the office may use this appropriation for transit and
15 housing investment zones.

16 **SECTION 13. Safety clause.** The general assembly finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, or safety or for appropriations for
19 the support and maintenance of the departments of the state and state
20 institutions.